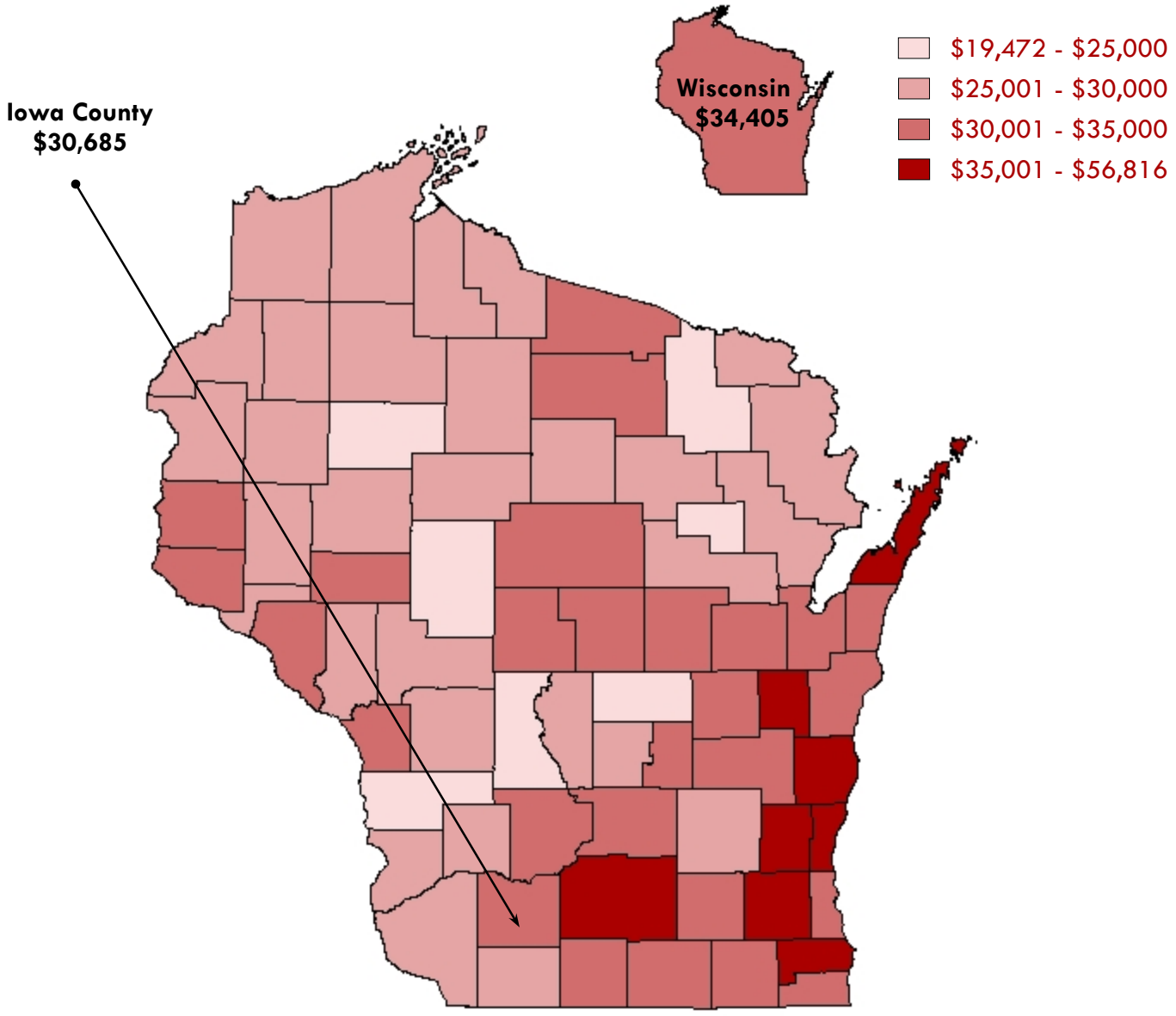
Iowa County Workforce Profile

Per Capita Personal Income in 2006



2008

Office of Economic Advisors
Wisconsin Department of Workforce Development
OEA-10617-P

Dan Barroilhet
1819 Aberg Avenue, Suite C
Madison, WI 53705-4201
(608) 242-4885
Dan.Barroilhet@dwd.wisconsin.gov

Population

Population trends affect the demand for goods and services as well as the supply of labor to produce goods and services. Iowa County's population grew by 1,350 people or 5.9 percent between the April 2000 Census and the January 2007 estimate. This is roughly in line with the statewide growth rate (5.3%) and the national growth rate (6.9%). In this time period, the estimates suggest Iowa County experienced 754 more births than deaths and 596 more people moved in than moved out. Natural change (births minus deaths) tends to be more steady and reliable while net migration (in-movers minus out-movers) changes direction more quickly and less predictably. Iowa County's population growth includes enough natural change that it appears to be on reasonably stable ground.

Iowa 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%
Iowa County	22,780	24,130	1,350	5.9%
Dodgeville, City	4,220	4,583	363	8.6%
Mineral Point, City	2,617	2,657	40	1.5%
Dodgeville, Town	1,407	1,655	248	17.6%
Arena, Town	1,444	1,506	62	4.3%
Barneveld, Village	1,088	1,237	149	13.7%
Brigham, Town	908	966	58	6.4%
Mineral Point, Town	867	930	63	7.3%
Linden, Town	873	892	19	2.2%
Highland, Village	855	860	5	0.6%
Arena, Village	685	836	151	22.0%

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

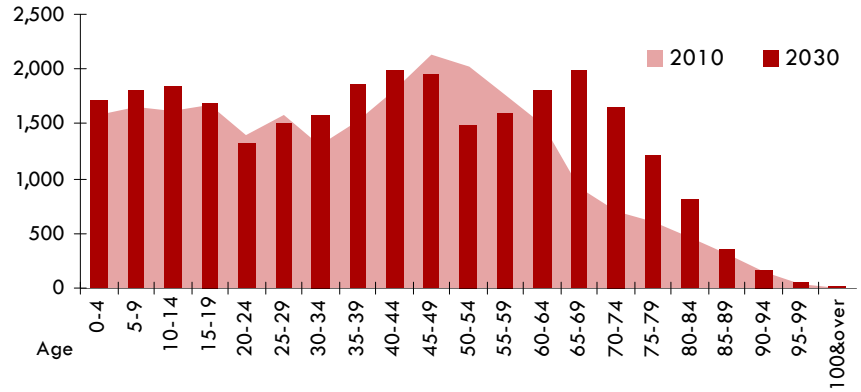
The City of Dodgeville, the Town of Dodgeville and the Village of Arena together had 7,074 residents or 29.3 percent of the total population. It is striking that the same three municipalities added 762 people, or 56.4 percent of the county's numeric increase. In the western portion of the county, the villages of Muscoda, Linden, Livingston and Rewey all experienced population declines.

As demographic patterns shift, individual municipalities' growth rates and population ranks will change. One of the few certainties of demographic change is this: the baby boom generation that once swelled the working-age cohorts will eventually reach retirement age and become eligible for age-triggered programs such as Social Security, Medicare, and Wisconsin counterparts.

Wisconsin Department of Administration population projections suggest that Iowa County's population will climb from 24,738 in 2010 to 28,412 in 2030. During that time, the population between the ages of 45 and 59 will shrink from 5,917 people, or roughly 23.9 percent of the population, to 5,043 people, or 17.7 percent of the population. The population between the ages of 65 and 79 will grow from 2,216 people, or 9.0 percent of the population, to 4,853 people, or 17.1 percent of the population. Analysis on page three suggests that residents aged 45 to 59 years are much more likely to participate in the labor force than residents aged 65 to 79 years. As a result of these trends, Iowa County's labor force growth is projected to shrink after 2020.

In addition to affecting the supply of labor, demographic shifts could affect demand for goods and services. Demand for health services will probably grow. Demand for nursing homes, assisted living facilities, and other senior housing may grow. These trends could sharply increase the supply of available single-family housing. Between 2010 and 2030 the total population will grow almost 15 percent and the 20- to 34-year-old cohort will grow 2.7 percent. If this age group is responsible for a large share of births and home purchases, this could soften demand for single-family housing and local public education.

Population by Age Cohorts in Iowa County



In 2010, the average Iowa County resident will be 38.4 years old.
In 2020, the average Iowa County resident will be 39.9 years old.
In 2030, the average Iowa County resident will be 41.4 years old.

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

Note: All data appearing in this profile is subject to revision.

Population & Labor Force

Population Projections for Iowa County						
Age Group:	0-15	16-34	35-54	55+	Labor-Force-Aged Population	Total Population
Years	**Population**					
2010	5,190	5,638	7,488	6,422	19,548	24,738
2020	5,483	5,897	6,756	8,586	21,239	26,722
2030	5,689	5,774	7,290	9,659	22,723	28,412
	Distribution of Labor-Force-Aged Population					
2010		28.8%	38.3%	32.9%		
2020		27.8%	31.8%	40.4%		
2030		25.4%	32.1%	42.5%		

Source: WI Dept. of Administration, Demographic Services

The table above indicates that Iowa County's population is projected to grow 14.9 percent (from 24,738 to 28,412) between 2010 and 2030. Meanwhile, the labor-force-aged population (residents 16 or more years old) will grow 16.2 percent (from 19,548 to 22,723). Page three will show that some labor-force-aged residents (especially those 55 or more years old) are not likely to be in the labor force. The lower portion of the table above projects that residents under 35 years old make will make up 28.8 percent of the labor-force-aged population in 2010 and that this share will shrink to 25.4 percent in 2030. Residents between the ages of 35 and 54 will see their share of the labor-force-aged population shrink from 38.3 percent in 2010 to 32.1 percent in 2030.

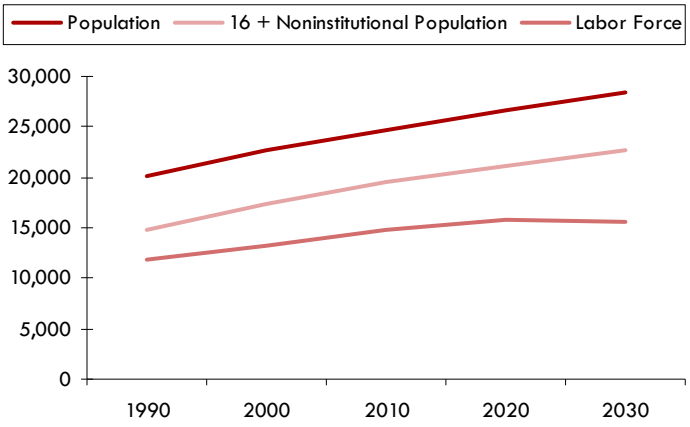
The remaining segment of the labor-force-aged population – Iowa County residents 55 or more years old – is projected to grow from 32.9 percent of the labor-force-aged population in 2010 to 42.5 percent in 2030. Some baby boomers will work later in life than previous generations of 55-and-older residents have worked. This effect will be massively overshadowed by the fact that residents over 55 years old have historically left the labor force in substantial numbers between the ages of 55 and 60 and even more quickly thereafter. Page three discusses this further.

One result of this shift is illustrated by the line graph to the right. While total population numbers increase, the labor force (those working or looking for work) will shrink. Many baby boomers will be leaving the local labor force at a time when baby boomers (as a group) increase demand for labor-intensive services like health care and home maintenance.

Another result of this demographic shift may be employers competing more intensely for workers 55 or more years old. These workers possess experience and expertise that can be hard to replace. Baby boomers who do continue to work will often change occupations or work fewer hours due to personal interests, health concerns, or family needs. Some employers will benefit tremendously from far-sighted recruitment and retention efforts.

If Iowa County employers struggle to find workers, some may use more appealing compensation or work environments to boost recruitment. Meanwhile, some employers may resort to outsourcing, off-shoring, importing goods or labor, automating, changing locations, or going out of business. Demographic changes cannot be stopped, but their consequences can be shaped for the better with sound workforce planning.

Iowa County Historic and Projected Population and Labor Force



Source: WI DWD, OEA

Labor Force Projections for Iowa County				
Age Group:	16-34	35-54	55+	Total Labor Force
Years	**Labor Force**			
2010	4,661	6,775	3,440	14,876
2020	4,863	6,153	4,771	15,788
2030	4,753	6,624	4,229	15,606
	Distribution of Labor Force			
2010	31.3%	45.5%	23.1%	
2020	30.8%	39.0%	30.2%	
2030	30.5%	42.4%	27.1%	

Source: WI DWD, OEA

Labor Force

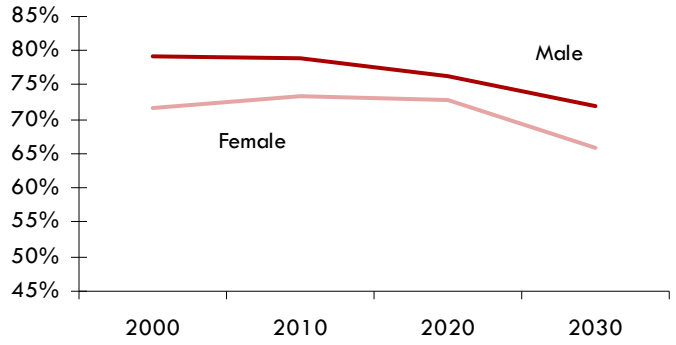
Advocates for workers 55 and over hasten to remind us that, with each passing decade, the economy places more value on the problem-solving, leadership, and innovation skills that baby boomers have developed. The workplace's social and professional networks are a bigger part of individual and community identities than ever before. In the workplace, the relative importance of physical limitations has fallen because there is more demand for non-physical work and there are more ways to accommodate or overcome physical limitations.

Nonetheless, the figures in the first three pages of this profile suggest that recent decades' growth in labor force participation will be reversed. To participate in the labor force is simply to work or to look for work. The labor force participation rate is the share of the eligible population that works or looks for work. Ineligible people who do not affect the participation rate are people under 16, people engaged in active military service, and people in institutions like correctional or nursing facilities.

In the 1970s, 1980s, and 1990s, many women joined the labor force for the first time. Female labor force participation rates surged from a fraction of male rates to levels much closer to male rates. The graph to the upper right suggests that labor force growth in the next 30 years cannot rely on rising LFPR the way it did over the previous 30 years.

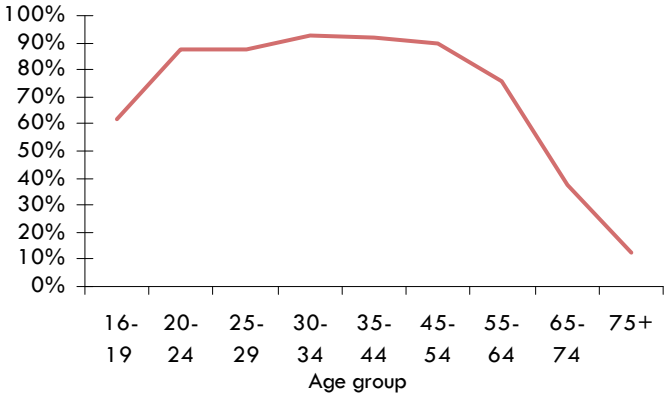
Two significant factors will probably prevent substantial increases in female labor force participation rates. First, women enjoy longer life expectancies than men. Those additional years are in a time of life when labor force participation rates tend to be at their lowest. Second, the gap between male rates and female rates is wider in age cohorts where people are somewhat more likely to have small children (say ages 20 to 34) and somewhat narrower when people are more likely to have older children (say ages 35 to 54). This suggests that decisions made around the time children are often born and raised are primary reasons for female labor force participation rates being lower in the middle age cohorts. Available data offers little reason to assume that females will stop outliving males or that female LFPR around typical child-bearing and child-raising years will rise much. Therefore, a major source of labor force growth in decades past will not cause pronounced labor force growth in the future.

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

The lower of the two graphs above shows how dramatically labor force participation rates fall as age increases past 54 years old. Baby boomers may participate at higher rates than generations before them, but they would have to depart radically from conventional notions of retirement in order to keep the labor force from shrinking. Barring substantial reductions in Social Security and Medicare benefits, this seems unlikely. Many of the most qualified, sought-after workers have significant resources set aside for their later years, so it may take more than a job offer to keep them in the labor force.

Iowa County Civilian Labor Force Data

	2003	2004	2005	2006	2007
Labor Force	14,022	14,073	14,306	14,404	14,391
Employed	13,414	13,506	13,698	13,780	13,752
Unemployed	608	567	608	624	639
Unemployment Rate	4.3%	4.0%	4.2%	4.3%	4.4%

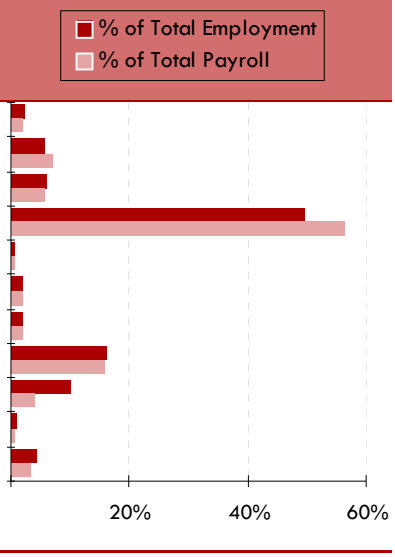
Source: WI DWD, Bur. of Workforce Training, Local Area Unemployment Statistics, 2008

Jobs & Wages

Few factors influence a local economy more than the number of jobs in the area and the average wage of those jobs. Payroll reports show that in 2007 Iowa County's trade, transportation, and utilities sector generated more employment (5,279 jobs) and more payroll ($191.4 million) than any other sector in the county. Further detail on page 5 shows that this super-sector is dominated by its nonstore retail trade sub-sector and that this super-sector's employment declines were dominated by job losses in nonstore retail. Similarly, the 14.9 percent drop in trade, transportation, and utilities average wages were also largely attributable to developments in the nonstore retail sub-sector.

2007 Employment and Wage Distribution by Industry in Iowa County

	Employment: Annual Average	Employment: 5-year Change	Total Payroll
Natural Resources	245	11	$ 6,990,038
Construction	599	12	$ 24,098,754
Manufacturing	635	3	$ 19,959,203
Trade, Transportation, Utilities	5,279	-752	$ 191,393,864
Information	72	-4	$ 2,099,589
Financial Activities	217	32	$ 7,215,387
Professional & Business Services	213	48	$ 6,910,149
Education & Health	1,728	73	$ 54,302,650
Leisure & Hospitality	1,062	132	$ 13,202,770
Other services	102	25	$ 1,965,684
Public Administration	470	56	$ 11,541,199
Not assigned	0	0	$ 0
All industries	10,622	-362	$339,679,287



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

The education and health supersector reported the second-largest numerical employment in Iowa County in 2007 (1,728 jobs) and reported the second-largest numerical job gain between 2002 and 2007 (adding 73 jobs). More detailed data on page 3 shows that the nursing and residential care sub-sector posted a relatively low average wage ($20,215) and fairly brisk employment growth (increasing 14.9 percent between 2002 and 2007) while the educational services sub-sector posted a more moderate average wage ($33,140) and more modest employment growth (10.5 percent over the same time). Statewide data suggests that the highest wages in the education and health super-sector are round in the hospital sub-sector and the ambulatory health clinics sub-sector.

Average Annual Wage by Industry Division in 2007

	Average Annual Wage: Iowa County	Average Annual Wage: Wisconsin	Iowa County as a Share of Wisconsin	Iowa County 5-year % Change	Wisconsin 5-year % Change
All industries	$31,979	$38,070	84.0%	-7.4%	17.4%
Natural Resources	$28,531	$29,235	97.6%	-14.7%	14.7%
Construction	$40,232	$47,489	84.7%	15.9%	19.8%
Manufacturing	$31,432	$47,106	66.7%	21.9%	16.1%
Trade, Transportation & Utilities	$36,256	$32,762	110.7%	-14.9%	15.3%
Information	$29,161	$48,483	60.1%	63.0%	24.7%
Financial Activities	$33,251	$50,749	65.5%	26.6%	25.8%
Professional & Business Services	$32,442	$44,328	73.2%	35.7%	22.0%
Education & Health	$31,425	$39,606	79.3%	13.6%	17.3%
Leisure & Hospitality	$12,432	$13,589	91.5%	6.5%	14.8%
Other Services	$19,271	$22,073	87.3%	-16.3%	13.2%
Public Administration	$24,556	$39,879	61.6%	5.9%	18.1%

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

Between 2002 and 2007, the leisure and hospitality sector added a greater number of jobs than any other sector in Iowa County. This sector's local average annual wage ($12,432) was lower than any other sector's and, over the same time period, it grew more slowly locally (6.5 percent) than statewide (14.8 percent). Over those five years, the amusements, gambling and recreation sub-sector's employment grew by 120 jobs or 164 percent and its average wages grew $161 or 1.5 percent, to $10,568.

Jobs & Wages

Prominent Industries in Iowa County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2007 Avg.	5-year Percent Change		2007 Average		5-year Percent Change	
	Iowa County	Iowa County	Wisconsin	Iowa County	Wisconsin	Iowa County	Wisconsin
Nonstore retailers	3,513	-11.2%	-12.5%	$ 40,535	$ 31,432	-19.0%	13.3%
Educational services	673	-5.2%	2.0%	$ 33,140	$ 39,753	10.5%	15.0%
Food services & drinking places	519	20.4%	9.1%	$ 8,758	$ 10,859	15.0%	14.5%
Nursing & residential care facilities	405	22.7%	3.6%	$ 20,215	$ 23,295	14.9%	12.0%
Specialty trade contractors	383	4.9%	-0.1%	$ 41,382	$ 43,664	17.1%	17.8%
Hospitals	*	not avail.	12.6%	*	$ 43,750	not avail.	24.1%
Executive, legislative, & gen government	334	16.0%	-4.7%	$ 18,467	$ 36,340	1.4%	16.4%
Machinery manufacturing	277	16.4%	-4.5%	$ 34,392	$ 53,720	26.5%	19.1%
General merchandise stores	257	97.7%	7.1%	$ 15,955	$ 17,914	12.1%	16.3%
Merchant wholesalers, durable goods	195	4.8%	6.8%	$ 41,842	$ 52,130	5.3%	15.4%

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

Employment in Iowa County's nonstore retail sub-sector (3,513 jobs) eclipses employment in other prominent sub-sectors listed above. Between 2002 and 2007, Iowa County's nonstore retail employment declined by 11.2 percent and average annual wages at those establishments declined by 19.0 percent. This suggests that the jobs lost paid more than the average wage for nonstore retailers in Iowa County ($40,535). The nonstore retail sub-sector's loss of 444 jobs over that time period was larger than Iowa County's overall employment decline of 362 jobs. The greater the prominence of a single sub-sector or single employer, the more likely it is that a community's general sense of economic well being rises and falls with the fortunes of that employer or sub-sector. Diversification is easier to preach than to practice.

When reviewing the above list of Iowa County's prominent sub-sectors, it is interesting to consider the impact of public funding in conjunction with demographic shifts discussed earlier. Most readers quickly see how public funding relates to sub-sectors like educational services and executive, legislative, and general government. Though less obvious, it is no less important to consider how nursing and residential care facilities and hospitals rely on payments from programs like Medicare, Medicaid, Social Security, and Wisconsin counterparts. Today, many baby boomers are near the peak of their income-tax-paying curves. As they shift from prime tax-payers to the largest group of benefits-eligible residents ever seen, public budgets could face increasing strain at the local, state and federal levels. In recent years, many Wisconsin school districts have faced increasing pressure to keep property taxes from rising. In the healthcare arena, it is not clear how the desire for low taxes will match up with the demand for publicly-funded services. These dynamics could dramatically affect prominent local industries.

Prominent Public and Private Sector Employers in Iowa County

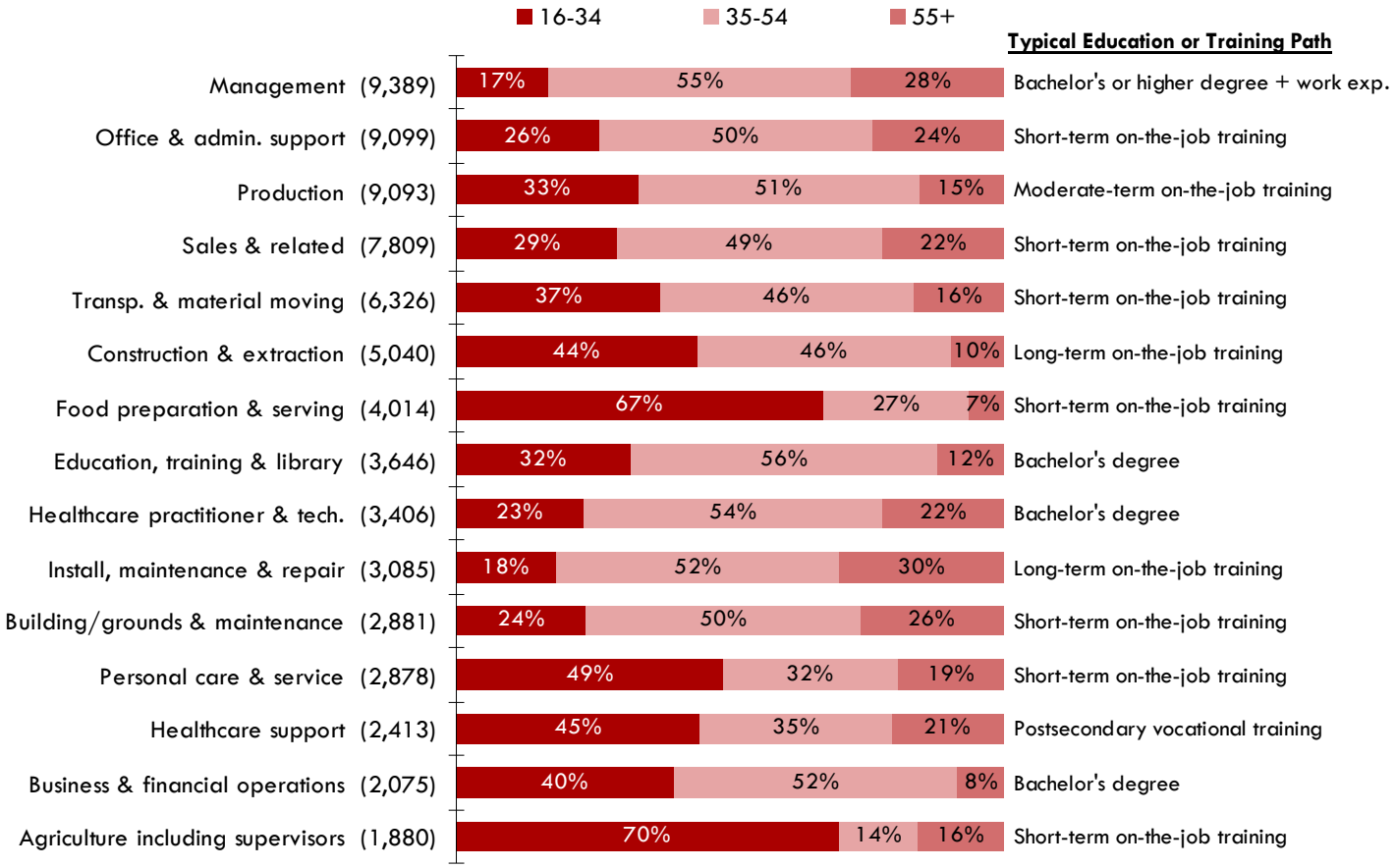
Establishment	Service or Product	Number of Employees (March 2007)
Lands' End Inc	Mail-order houses	1000+ employees
Upland Hills Health, Inc	General medical & surgical hospitals	250-499 employees
County of Iowa	Executive & legislative offices, combined	250-499 employees
Wal-Mart	Discount department stores	250-499 employees
Fleet Guard Inc	Miscellaneous general purpose machinery mfg.	100-249 employees
Dodgeville School District	Elementary & secondary schools	100-249 employees
Mineral Point Public School	Elementary & secondary schools	100-249 employees
Iowa-Grant School District	Elementary & secondary schools	100-249 employees
Lucky Star 3 Corp	Other residential care facilities	100-249 employees
Fairway & Greene Ltd	Sporting goods stores	100-249 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 Grant, Green, Iowa, Lafayette, and Richland counties.



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

It is important to note that pages four and five focus on the industries that employers belong to while this section focuses on the occupational groups that workers belong to. Sometimes, the worker's job duties can be more informative than the nature of the employer's business. The chart above first lists the occupational groups with the greatest numbers of workers in the area that includes Grant, Green, Iowa, Lafayette, and Richland counties. The actual employment numbers appear in parenthesis. The bar graph shows each occupational group's age distribution.

The youngest age cohort, residents between the ages of 16 and 34, reflects people in their early working years and captures rather large shares of jobs in food preparation and serving occupations and agriculture occupations. Physical demands, seasonality, and wage progression can contribute to turnover in these occupational groups. Because jobs in these occupational groups typically require less education and training, they may be good fits for some newer workers.

The oldest cohort identified, residents 55 or more years old, includes many people approaching retirement. About 28 percent of area residents in management occupations and 30 percent of area residents in installation, maintenance, and repair occupations are 55 or more years old. Jobs in installation, maintenance, and repair occupations typically require long-term on-the-job training (over 12 months). Jobs in management occupations typically require a bachelor's or higher degree and work experience. New workers cannot simply step out of high school and into these jobs. It may prove wise to begin grooming, recruiting, and succession planning sooner rather than later.

Occupations & Typical Education or Training

Workers 55 or more years old are 15 percent of production workers and 10 percent construction and extraction workers. These might seem like small ratios, but because of the physical demands they face and the pensions they enjoy, workers in these fields often retire well before otherwise-typical ages. It is possible that improved technology and implementation will ease many physical demands of some of these jobs. Production jobs, in particular have become less physical and more technically challenging in recent years. Over the long term, the trend for production in the United States is to use ever fewer people to generate ever more output, so it is unclear to what extent advances in equipment, processes, and product lines will mitigate demand for replacement workers.

In this region (Grant, Green, Iowa, Lafayette and Richland counties), farmers and ranchers make up almost half of the management workers. Half the region's farmers and ranchers are fifty or more years old and over seventy percent are over 40. This might affect the management occupations' age distribution even more than the typical experience requirement does.

Somewhat perplexing is the relative scarcity of 16- to 34-year-olds in healthcare practitioner and technical occupations (23%), installation, maintenance, and repair occupations (18%) and building and grounds cleaning and maintenance occupations (24%). Many registered nurses have Bachelor's degrees, but many jobs in these three occupational groups require moderate education or training. One might expect more young workers to pursue careers in occupational groups with meaningful income potential and manageable training requirements.

As the local population ages, demand for healthcare services will grow. For the sake of argument, suppose that older residents require more assistance maintaining their single-family homes or suppose that many older residents move into senior-living apartments, assisted living facilities, and nursing homes. If either of these things occurs, then these residents could increase demand for installation, maintenance, and repair workers, as well as demand for building and grounds cleaning and maintenance workers. Keeping this dynamic in mind, it is particularly noteworthy that the workers 55 or more years old constitute 29 percent of healthcare support workers and 37 percent of personal care and personal service workers. Substantial numbers of workers in these fields are likely to leave the labor force as demand grows faster and faster.

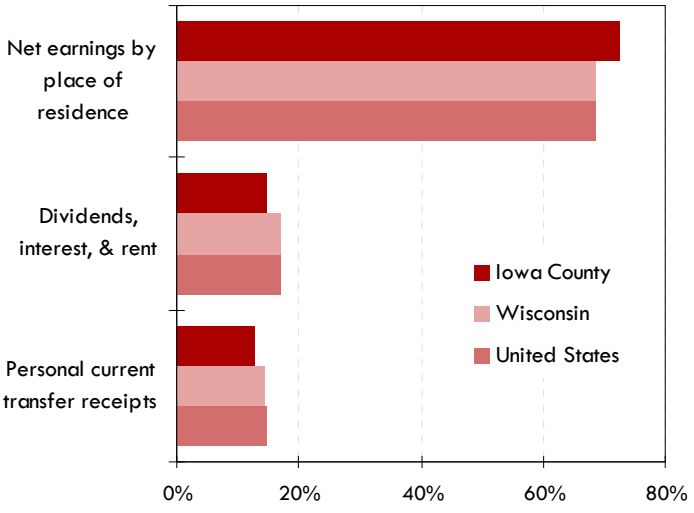
Income

Pages four and five analyze payroll employment and wage data that employers report to Wisconsin's Unemployment Insurance system. Pages seven and eight analyze income data from federal tax records; this includes non-payroll income sources such as proprietors' income, investment income, and government transfers.

The first category of income that this profile will discuss is net earnings by place of residence. These earnings are typically associated with current vocations which may include a payroll job, self-employment, or business proprietorship. Without net earnings, most people would have difficulty buying assets that would generate dividends, interest, or rent and most people would have difficulty paying taxes that make government transfers possible. Many readers will consider net earnings the driving force that sets the stage for long-term income trends.

Whether we focus on the nation, the state or Iowa County, the graph to the right shows that net earnings is the largest share of total income. While this will probably always be true, the balance will shift. Pages one through three discuss baby-boomers' move from prime income-earning years to ages in which they draw on private retirement resources (dividends, interest, and rent) and begin to receive government transfers like Social Security and Medicare. This means that net earnings could make

Components of 2006 Total Personal Income



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

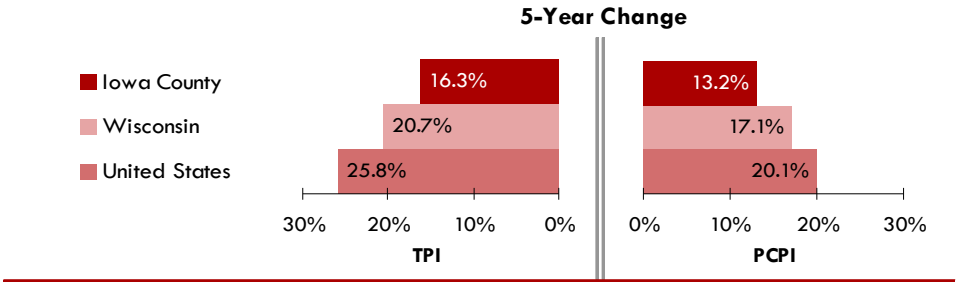
Income

up a smaller share of Iowa County's total income and investment income and transfer payments could become a larger share.

When investments pay off, they yield dividends, interest, and rent. This is the second category of income. Net earnings are often tied to jobs at specific physical locations. When people leave jobs, other people typically fill the positions, and spend the earnings locally. In contrast, owners of income-earning assets can often collect their income from nearly anywhere, so leaving the area does not necessarily affect their income stream. Imagine for a moment that many Iowa County residents with income-earning assets moved to larger cities or warmer climates. They could take much of their income with them. Nothing about their departure would cause other residents to fill the investment income gap. If younger residents lack resources to invest or choose to consume rather than invest, investment income will decline.

Personal Income in Iowa County

	Total Personal Income (TPI) (in thousands)		Per Capita Personal Income (PCPI)	
	2001	2006	2001	2006
Iowa	$621,295	$722,270	$27,104	$30,685
Wisconsin	$158,888,404	$191,725,759	$29,377	$34,405
United States	$8,716,992,000	$10,968,393,000	$30,574	$36,714



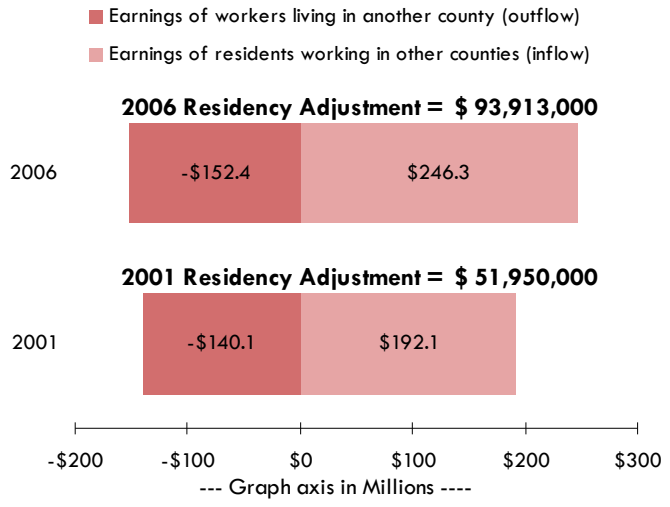
Source: US Dept. of Commerce, Bureau of Economic Analysis, April 2007

Personal current transfer receipts (mainly programs like Medicare and Social Security) have a substantial impact on several key industries listed on page five. The group of benefits-eligible residents in Iowa County will grow quickly in the near future. Whether benefits will remain at historically normal levels and how they will be paid remains uncertain in the medium term. With each passing year the political feasibility and practical necessity of radical change move in opposite directions.

Between 2001 and 2006, Iowa County's total income (TPI) grew from nearly $621 million to $722 million, or 16.3 percent. This was well below Wisconsin's TPI growth (20.7%) and U.S. TPI growth (25.8%). Dividing total income by population yields per capita personal income (PCPI). Iowa County's population grew more quickly than the state's and its PCPI grew more slowly than the state's or the nation's. Iowa County's PCPI ($30,685) remains below Wisconsin's ($34,405) and the nation's ($36,714). Suburban areas and select segments of urban areas tend to report much higher PCPI, while rural areas and parts of inner cities tend to report lower PCPI. To the extent that high-income residents often cluster, it can be difficult for an area to change its ranking.

In 2006, Iowa County residents earned over $246 million by commuting to jobs in other counties and residents of other counties earned over $152 million by commuting to jobs in Iowa County. The difference, just under $94 million, is the net impact of commuting on Iowa County's total income. This is 13.0 percent of total income. Between 2001 and 2006, the net commuting impact grew 80.8 percent, which was a great deal faster than total income (16.3 percent). This suggests that wages earned outside Iowa County have become more important to the local economy over time.

Iowa County Commuting Impact



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