

2017 ECONOMIC AND WORKFORCE PROFILE

Sauk County

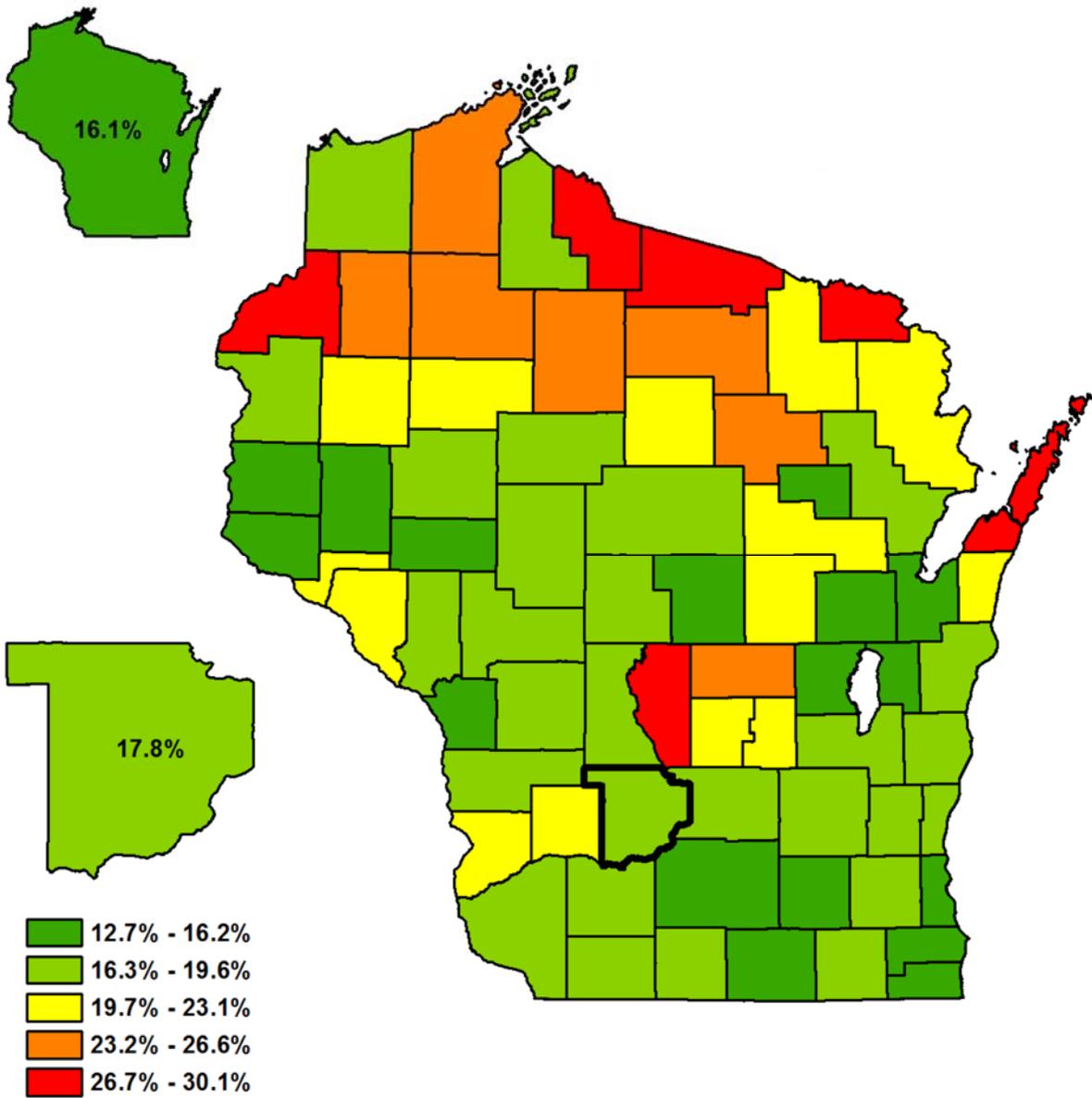


STATE OF WISCONSIN



Department of Workforce Development

Percentage of Total Population, Ages 65 and Older



Source: U.S. Census Bureau, Population Division, December 2016

2017 Sauk County Workforce Profile

Wisconsin now has more people employed and more private sector jobs than at any time in its history. As of this writing, the state added 56,100 jobs during 2016 and 2017. Employment increased in almost all industry sectors, with prominent gains in construction, manufacturing, and healthcare.

Wisconsin's unemployment rate is near lows not seen in a generation, decreasing from 4.3 percent in January 2016 to 3.2 percent in December 2017, on a seasonally adjusted basis.

Wisconsin faces a worker quantity challenge. The number of retiring Baby Boomers nearly match the influx of new workers, resulting in a slow growing workforce and placing constraints on the ability by employers across all industries to hire talent. Many businesses report that the lack of available workers has hindered expansion and, in some cases, even curtailed their ability to meet current product orders.

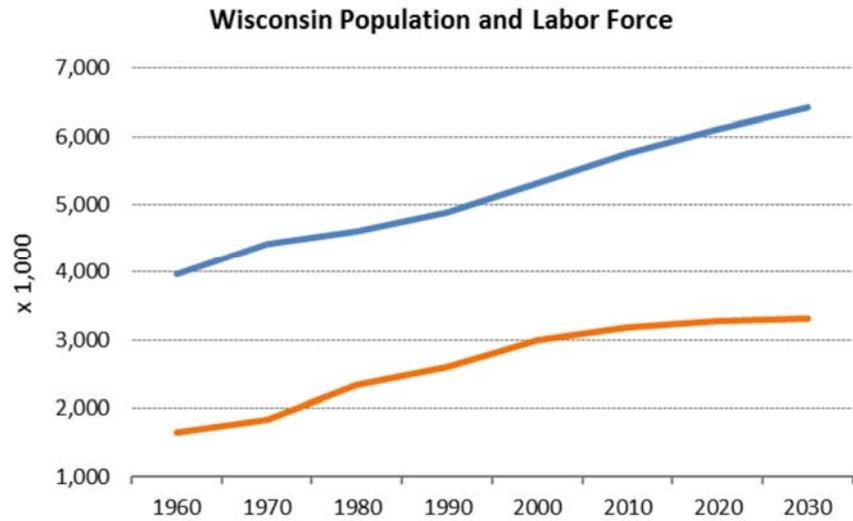
The blue-line, orange-line graph to the right illustrates the situation in Wisconsin and other upper-Midwest states. While Wisconsin's population will continue to grow over the next twenty years, the workforce faces serious constraints.

The labor force participation rate (LFPR), defined as the labor force (sum of employed and unemployed) divided by the total population ages 16 and older, measures the population's engagement in the workforce and serves as an indicator in determining how Wisconsin's workforce will be constrained.

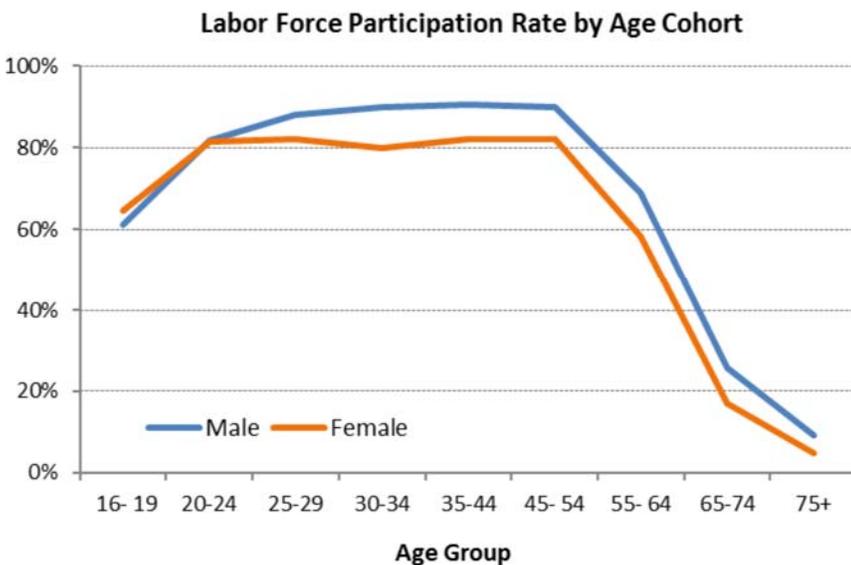
The overall LFPR peaked in the late 1990s and has been trending lower ever since. The LFPR peaks across the 30-55 age cohort at over ninety percent and decreases rapidly into the single digits by age seventy.

Baby Boomers have and continue to exit with respect to their LFPR. The mass of Baby Boomers has moved into the work lifecycle stage of declining LFPRs, with the tail end of the cohort turning 55 in 2019.

A recent development is the change in the labor force participation rate trend. The LFPR of older workers (those aged 55 years and older) has turned upwards, resulting in flattening of the overall LFPR. More boomers are staying in the workforce longer, which may portend higher workforce growth over the coming years. Due to the size of the Baby Boomer cohort and the sensitivity of the LFPR to workforce growth rates, a relatively small change in the LFPR of older workers would significantly boost the number in the workforce.



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



Source: Bureau of Labor Statistics



Population and Demographics

Sauk County's 10 Most Populous Municipalities

	April 2010 Census	January 2016 Estimate	Numeric Change	Proportional Change
United States	308,400,408	323,127,513	14,727,105	4.8%
Wisconsin	5,686,986	5,775,120	88,134	1.5%
Sauk County	61,976	62,187	211	0.3%
Baraboo, City	12,048	12,013	-35	-0.3%
Reedsburg, City	9,200	9,303	103	1.1%
Prairie du Sac, Village	3,972	4,053	81	2.0%
Sauk City, Village	3,410	3,422	12	0.4%
Lake Delton, Village	2,914	2,922	8	0.3%
Delton, Town	2,391	2,412	21	0.9%
Spring Green, Town	1,697	1,699	2	0.1%
Baraboo, Town	1,672	1,685	13	0.8%
Spring Green, Village	1,628	1,625	-3	-0.2%
Dellona, Town	1,552	1,569	17	1.1%

Source: Demographic Services Center, Wisconsin Department of Administration

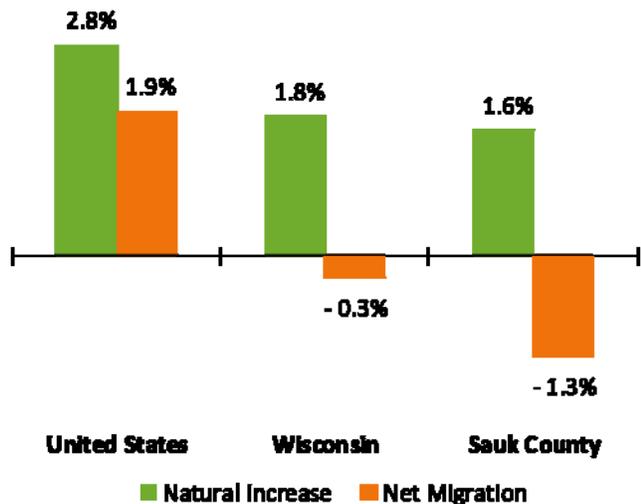
Sauk County added an estimated 211 residents from April 2010 to January 2016. With 62,187 people, Sauk County is the 25th most populous county in Wisconsin out of 72 counties. Sauk County's 0.3% population growth rate over the period is smaller than Wisconsin's (1.5%) and the United States' (4.8%) growth rates.

Population change is driven by two factors: natural change and migration. A natural increase of the population occurs when there are more births than deaths, while an increase from migration arises when more people enter than exit. Sauk County's growth comes from natural increase (1.6%); it experienced negative net migration (-1.3%). Sauk County's natural increase rate is similar to the state's and is lower than the nation's 2.8% increase. The county's negative net migration rate is lower than the state's negative rate of -0.3% and the United States' positive 1.9% rate.

The table above lists Sauk County's ten most populous municipalities as of January 2016. Interestingly, the Town of Dellona is the only one not on the Baraboo or Wisconsin River. Only two of the ten shown decreased in population over the period, one being the largest city, Baraboo. The city that added the most residents is Reedsburg (103). The municipalities that make up the top ten are geographically spread throughout Sauk County.

The graph on the following page shows monthly unemployment rates for Sauk County, Wisconsin and the U.S. since January 2000. Sauk County's rate

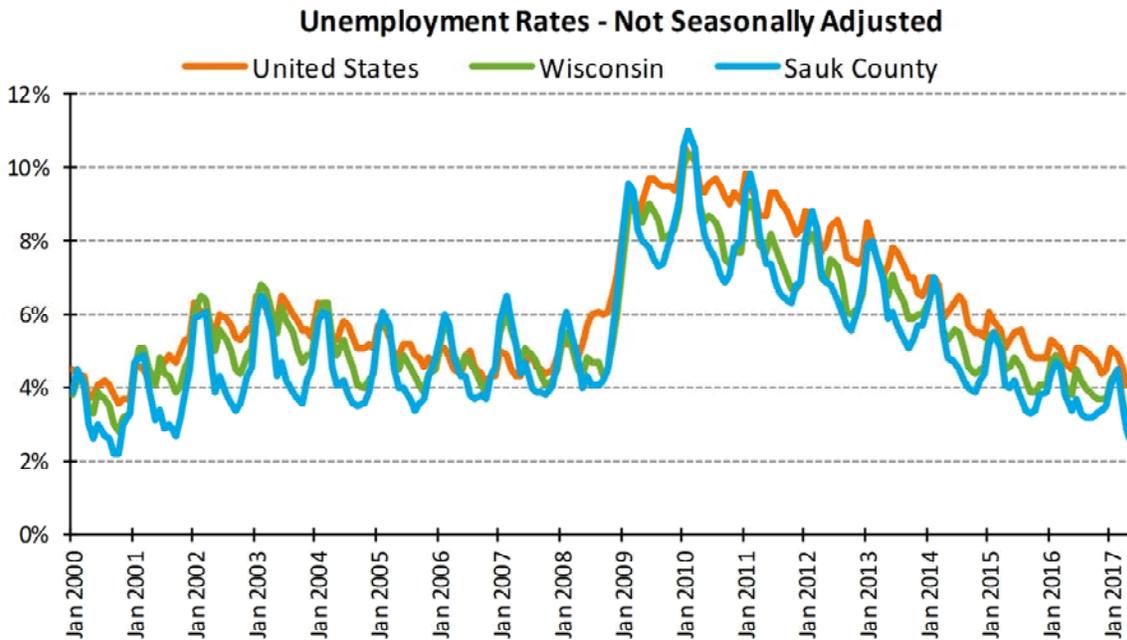
Components of Population Change



Source: Demographic Services Center, Wisconsin Department of Administration



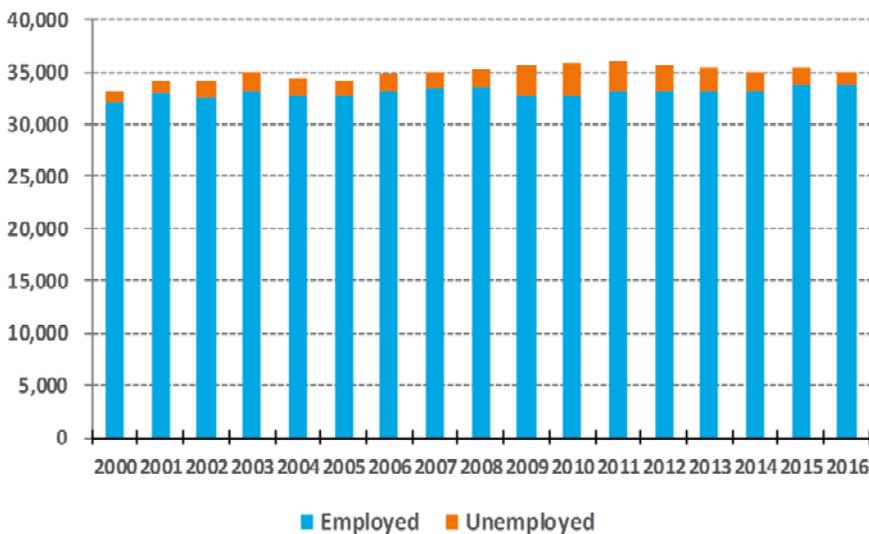
Labor Force Dynamics



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

rose through the early 2000s recession, then declined slightly for a few years, and then rose minimally ahead of the Great Recession. Amidst the recession, Sauk County's unemployment rate peaked at 11.0% in February 2010, posting similar values to both the state and nation. Post-recession, Sauk's unemployment rate has consistently tracked below the nation's rate. The same is true for its relationship to the state since mid-2013. The recovery period has seen Sauk County's not seasonally adjusted unemployment rate drop all the way down to 2.5% in May 2017.

Sauk County Labor Force Components



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

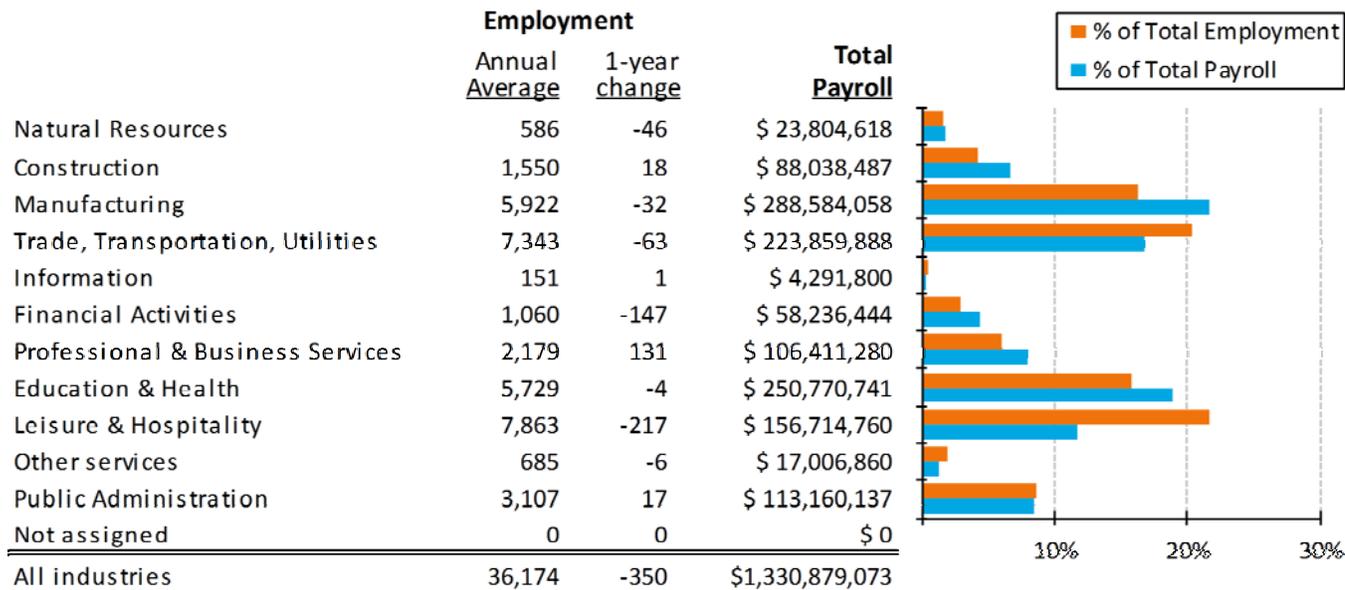
The chart to the left breaks down the labor force of Sauk County into its two components: employed and unemployed. Since 2010, the number of employed year-over-year increased every year except 2012 and 2016. The number of unemployed has decreased every year. The labor force in aggregate decreased every year except 2011 and 2015.

Sauk County's five largest job sectors in 2016 were Leisure and Hospitality; Trade, Transportation, and Utilities; Manufacturing; Education and Health; and Public Administra-



Industry Employment and Wages

2016 Employment and Wage Distribution by Industry in Sauk County



Source: WI DWD, Labor Market Information, QCEW, June 2017

tion. It is home to several waterpark resorts. Leisure and Hospitality comprised 22% of Sauk County's total jobs and Manufacturing 22% of total payroll. Many sectors lost net jobs from 2015; Professional and Business Services added the most (131). Not all employment is covered by the Quarterly Census of Employment and Wages (QCEW) program; notable exclusions include unincorporated self-employed and small agricultural employers.

Sauk County's annual average wage of \$36,791 in 2016 is about 20% lower than the statewide average of \$46,031 and is a 1.4% increase from 2015. Sauk County's highest-paying sector in 2016 was Construction, with an annual average wage of \$56,799. The next highest paying sectors were Financial Activities (\$54,940), Professional and Business Services (\$48,835), Manufacturing (\$48,731), and Education and Health (\$43,772).

2016 Average Annual Wage by Industry

	Wisconsin Average Annual Wage	Sauk County Average Annual Wage	Percent of Wisconsin	1-year % change
All industries	\$ 46,031	\$ 36,791	79.9%	1.4%
Natural Resources	\$ 36,560	\$ 40,622	111.1%	-3.8%
Construction	\$ 58,668	\$ 56,799	96.8%	-1.1%
Manufacturing	\$ 55,328	\$ 48,731	88.1%	0.2%
Trade, Transportation & Utilities	\$ 38,893	\$ 30,486	78.4%	4.0%
Information	\$ 67,842	\$ 28,423	41.9%	-0.7%
Financial Activities	\$ 66,967	\$ 54,940	82.0%	3.1%
Professional & Business Services	\$ 57,134	\$ 48,835	85.5%	1.3%
Education & Health	\$ 46,790	\$ 43,772	93.6%	3.4%
Leisure & Hospitality	\$ 17,018	\$ 19,931	117.1%	-1.9%
Other Services	\$ 28,157	\$ 24,828	88.2%	5.0%
Public Administration	\$ 45,690	\$ 36,421	79.7%	-0.1%

Source: WI DWD, Labor Market Information, QCEW, June 2017

Leisure and Hospitality and Natural Resources are the two sectors that have annual average wages above the statewide average. Despite this, Leisure and Hospitality is the lowest paying of Sauk County's sectors. It should be noted that the QCEW does not factor in full or part-time status when annual average wages are calculated, so the high prevalence of part-time workers in Leisure and Hospitality

Employment Projections

South Central Workforce Development Area Industry Projections, 2014-2024

Columbia, Dane, Dodge, Jefferson, Marquette and Sauk Counties

Industry	Projected		Change (2014-2024)	
	2014 Employment	2024 Employment	Employment	Percent
All Industries	532,177	574,104	41,927	8%
Natural Resources	13,692	14,038	346	3%
Construction	18,924	21,696	2,772	15%
Manufacturing	54,210	55,848	1,638	3%
Trade, Transportation, and Utilities	78,055	81,252	3,197	4%
Information	14,696	19,786	5,090	35%
Financial Activities	26,566	28,495	1,929	7%
Professional and Business Services	54,617	60,826	6,209	11%
Education and Health Services	130,684	141,557	10,873	8%
Leisure and Hospitality	45,259	50,418	5,159	11%
Other Services	27,695	29,498	1,803	7%
Public Administration	40,651	40,989	338	1%
Self-Employed and Unpaid Family Workers	27,128	29,701	2,573	9%

Source: Office of Economic Advisors, Wisconsin Department of Workforce Development, November 2016.

contributes to making this number not representative of the wage to be expected for a full-time worker.

The table above presents ten-year regional employment projections by industry sector for the South Central Workforce Development Area (WDA), which includes Columbia, Dane, Dodge, Jefferson, Marquette, and Sauk Counties. The change in the number of jobs from 2014 to 2024 represents projected net job growth over the period.

In 2016, Dane County had the lion's share of the region's jobs (72%). Sauk and Dodge had nearly 8% each, Jefferson 7%, Columbia almost 5%, and Marquette less than 1%. Ten-year regional employment growth of 8% is projected to exceed statewide job growth of 6% with South Central experiencing average annual growth of around 0.8% or 4,200 jobs per year.

All South Central WDA sectors are projected to have net positive job growth over the ten-year period. Education and Health Services is projected to contribute about 26% to total net job growth, followed by Professional and Business Services (15%), Leisure and Hospitality (12%), Information (12%), and Trade, Transportation, and Utilities (8%). The expansion of the Information sector is expected to continue with massive growth of 35%. Other double digit projected growth sectors are Construction (15%), Professional and Business Services (11%), and Leisure and Hospitality (11%).

Looking across the state, the South Central WDA has a larger projected job growth from 2014-2024 than any of the other ten WDAs in both numeric and percentage terms. The Information sector is projected to grow in only two of Wisconsin's 11 WDAs: South Central and North Central. Sub-sectors within Information range from Software Publishers to Newspaper and Book Publishers; this may help to explain the varying statewide performances. South Central is one of four WDAs projected to have double digit growth in Construction, with the others being Waukesha-Ozaukee-Washington (WOW), West Central, and Western. Leisure and Hospitality growth in South Central ranks 2nd (Southeast) and Professional and Business Services growth ranks 3rd (West Central, WOW).

2017 Sauk County Workforce Profile

Employment Projections

South Central Workforce Development Area Occupation Projections, 2014-2024

Columbia, Dane, Dodge, Jefferson, Marquette and Sauk Counties

Occupation Group	Employment				Average Annual Openings			Median Annual Wage
	2014	2024	Change (2014-2024)		Due to Growth	Due to Replacement	Total Openings	
			Number	Percent				
All Occupations	532,177	574,104	41,927	8%	4,517	12,266	16,783	\$ 37,880
Management	36,782	39,698	2,916	8%	296	813	1,109	\$ 92,072
Business and Financial	33,629	37,069	3,440	10%	354	667	1,021	\$ 59,529
Computer and Mathematical	21,946	27,714	5,768	26%	577	338	915	\$ 71,989
Architecture and Engineering	10,118	11,116	998	10%	103	254	357	\$ 66,174
Life, Physical, and Social Science	8,961	10,036	1,075	12%	108	255	363	\$ 56,408
Community and Social Service	7,876	8,514	638	8%	64	168	232	\$ 42,663
Legal	3,497	3,651	154	4%	18	60	78	\$ 65,558
Education, Training, and Library	45,980	47,604	1,624	4%	170	970	1,140	\$ 43,519
Arts, Entertainment and Media	10,806	11,323	517	5%	62	247	309	\$ 44,236
Healthcare Practitioners	27,633	29,700	2,067	7%	209	595	804	\$ 65,279
Healthcare Support	11,273	13,333	2,060	18%	208	247	455	\$ 30,454
Protective Service	9,625	9,884	259	3%	28	240	268	\$ 38,051
Food Preparation and Serving	37,486	42,029	4,543	12%	459	1,398	1,857	\$ 19,645
Building & Grounds Maintenance	18,161	19,922	1,761	10%	176	367	543	\$ 22,740
Personal Care and Service	20,540	25,071	4,531	22%	454	379	833	\$ 22,612
Sales and Related	43,280	45,755	2,475	6%	259	1,299	1,558	\$ 25,516
Office and Administrative Support	72,798	73,608	810	1%	239	1,523	1,762	\$ 34,635
Farming, Fishing, and Forestry	8,211	8,266	55	1%	17	213	230	\$ 28,160
Construction and Extraction	18,768	20,746	1,978	11%	199	288	487	\$ 50,690
Installation, Maintenance, Repair	16,811	18,170	1,359	8%	142	396	538	\$ 44,331
Production	39,384	40,278	894	2%	172	868	1,040	\$ 32,945
Transportation & Material Moving	28,612	30,617	2,005	7%	203	681	884	\$ 30,876

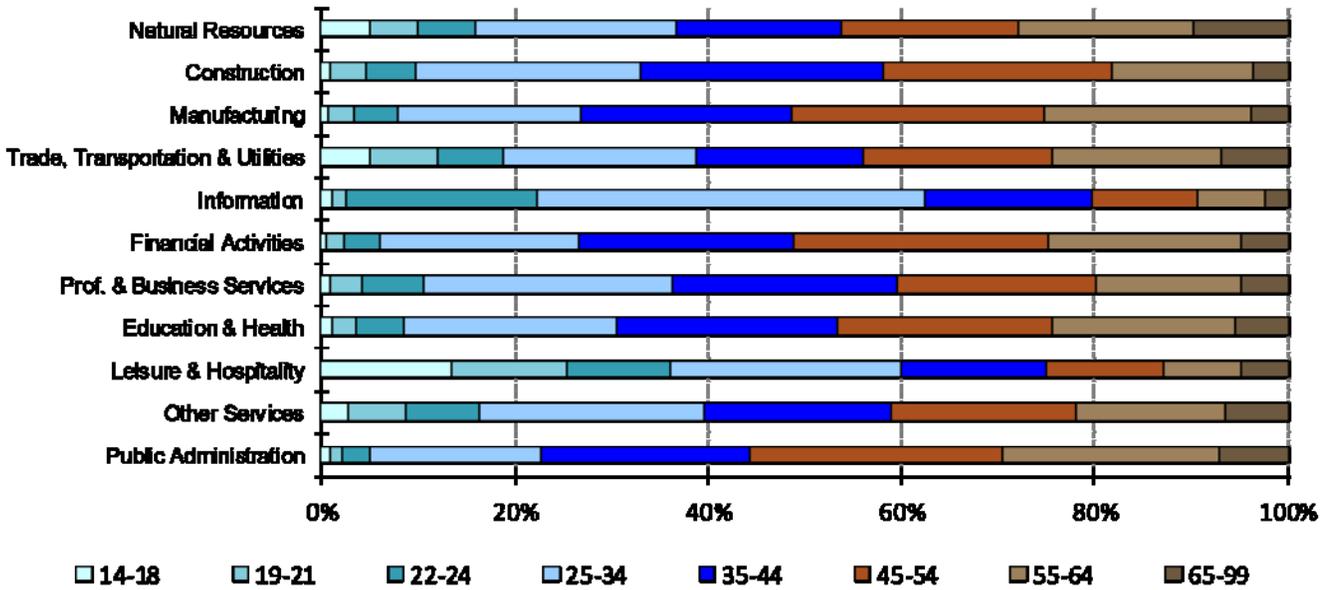
Source: Office of Economic Advisors, Wisconsin Department of Workforce Development, September 2015

The table above shows projected job growth and openings by occupational group through 2024 for the South Central WDA. Like industries, all occupational groups are projected to grow. Rates range from Computer and Mathematical (26%) to Office and Administrative Support and Farming, Fishing, and Forestry (1%). An aging workforce and employee turnover contributes to the finding that a projected 73% of total annual average openings come from replacement needs; the remaining 27% come from new jobs (growth openings). South Central's growth share of openings is the highest among the 11 WDAs. Two occupational groups in South Central are projected to have more growth openings than replacement, Computer and Mathematical and Personal Care and Service.

The occupational group projected to add the most jobs over the period in South Central is Computer and Mathematical (5,768 jobs), followed by Food Preparation and Serving (4,543 jobs) and Personal Care and Service (4,531 jobs). Food Preparation and Serving is expected to have the most annual openings (1,857), followed by Office and Administrative Support (1,762) and Sales and Related (1,558). Of these openings across the three groups, almost 82% of them are of the replacement variety. The occupational group with the least amount of projected annual average openings is Legal (78), with Farming, Fishing, and Forestry (230) and Community and Social Service (232) having more. Annual average openings as a share of projected 2024 employment ranges from 2% to



South Central WDA's Age Distribution by Industry



Source: U.S. Dept. of Commerce, Census Bureau, Local Employment Dynamics 2016.

4.5% for all occupational groups.

The chart above provides a visual breakdown of the ages of workers by industry in the South Central WDA. As can be seen, considerable age variation exists across industries. The industry with the greatest share of workers under age 25 by a considerable margin is Leisure and Hospitality, with 36.1% of workers not yet a quarter century old. This is significantly larger than the All Industries under age 25 share of 13.8%. Leisure and Hospitality in all WDAs across the state is the industry that has the highest share of workers under 25. High school and college students commonly work in restaurants and hotels.

An incredible four out of ten workers in Information in South Central are age 25-34 and 62.4% are under 35. The next highest share for Information under age 35 is 36.2% (West Central). The wide ranging sub-sector composition within Information was referenced earlier in this report. Except for Leisure and Hospitality, all South Central industries have 56% to 72% of their workers age 25-54. This age range is considered the "prime age" of labor force participation.

The industry with the highest share of workers age 55 and over is Public Administration, with nearly three in ten workers at or above what some consider a traditional retirement age. Next is Natural Resources with 27.8% and Manufacturing with 25.3%. The baby boomer exodus from the workforce will affect these industries particularly hard, though recent data shows older Americans are working longer into their golden years. South Central has the 2nd lowest share of its workforce age 55 and over (22.2%), with only Milwaukee County lower (22.0%); the Northwest WDA has the highest share of older workers (28.8%).

For More Information:

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