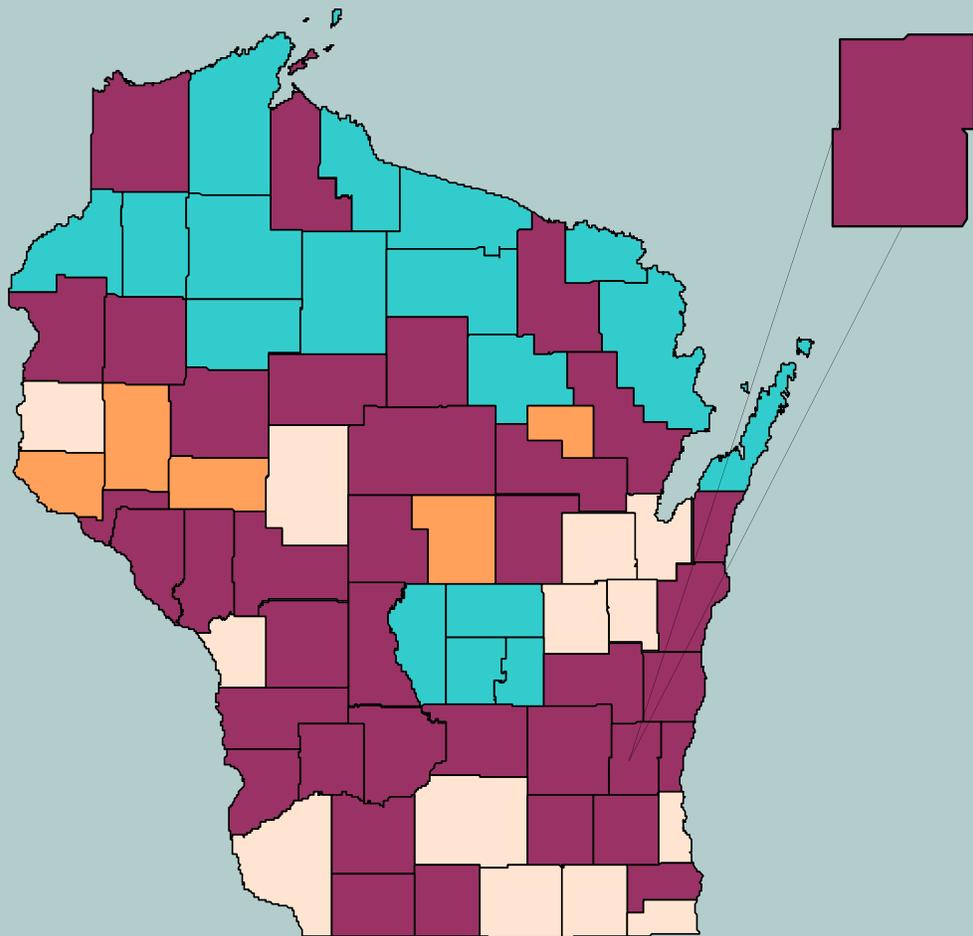


Washington County Workforce Profile

An Aging State: Median Age by County, 2000



Your complete
guide to the
state of the
labor force of
today and a
glimpse into
the economy of
tomorrow.



State of Wisconsin
Department of Workforce Development
October 2002



Source: Census 2000 of the United States



County Population

Continuing a trend of unprecedented growth and reaffirming its position as the locus of population growth in the Milwaukee-Waukesha metropolitan area, Washington County's population increased by 1.0% between 2000 and 2001. This annual growth rate is greater than either the state or national rate of 0.7%, and represents the largest annual rate of growth in the four-county metropolitan area. This annual growth rate continues the pattern of growth experienced in the county over the past decade, when Washington County grew by 20.7%, in contrast to the state growth rate of 8.5% and national growth rate of 8.7%. In contrast, the population of Milwaukee County **decreased** by 0.5% over the same period.

One of the main indicators of Washington County's growth described in data obtained from the 2000 census is the growth of the county's housing stock. Between 1990 and 2000, Washington County witnessed the construction of 12,400 new housing units. Putting this into perspective, Ozaukee County reported 6,700 new units, Waukesha County 35,125, and Milwaukee County nearly 24,000 new units. If one were to measure this growth strictly on a per unit basis, the number of new units in

Waukesha and Milwaukee County would indicate the most growth. However, on a per-capita basis, Washington County exhibits the greatest level of new construction with one new unit per 9.5 residents. In comparison, Waukesha County builders constructed one new unit per 10.4 residents, Ozaukee County 12.4 residents, and Milwaukee County 39.3 residents. Based on this indicator, growth in the region is focused primarily in its western counties.

Another indicator of growth described in data from the most recent census is the composition of the county's new residents. Between 1995 and 2000, 39.5% of the county's population changed residence. Of that nearly 40%, 20.1% lived in Washington County in 1995, and 19.4% came from outside of Washington County. Of that nearly 20%, 16% moved from other areas in Wisconsin, and 4% came from outside of the state. The primary impetus for the pattern of in-migration into the metropolitan area is the availability of a diverse number of career opportunities. Based on the new housing data, it would appear that the primary reason for migrating to Washington County is the availability of real es-

(Continued on page 2)

Total Population

	2000 Census	January 1, 2001 Estimate	Percent change
United States	281,421,906	283,474,000	0.7%
Wisconsin	5,363,675	5,400,449	0.7%
Washington County	117,493	118,686	1.0%

Ten Largest Municipalities

West Bend, City	28,152	28,353	0.7%
Germantown, Village	18,260	18,406	0.8%
Hartford, City *	10,895	11,073	1.6%
Richfield, Town	10,373	10,473	1.0%
Jackson, Village	4,938	5,119	3.7%
West Bend, Town	4,834	4,808	-0.5%
Trenton, Town	4,440	4,461	0.5%
Hartford, Town	4,031	4,049	0.4%
Slinger, Village	3,901	3,976	1.9%
Polk, Town	3,938	3,954	0.4%

* Washington portion only

Source: Wisconsin Department of Administration, Demographic Services, 2002

Population Growth 2000-2001

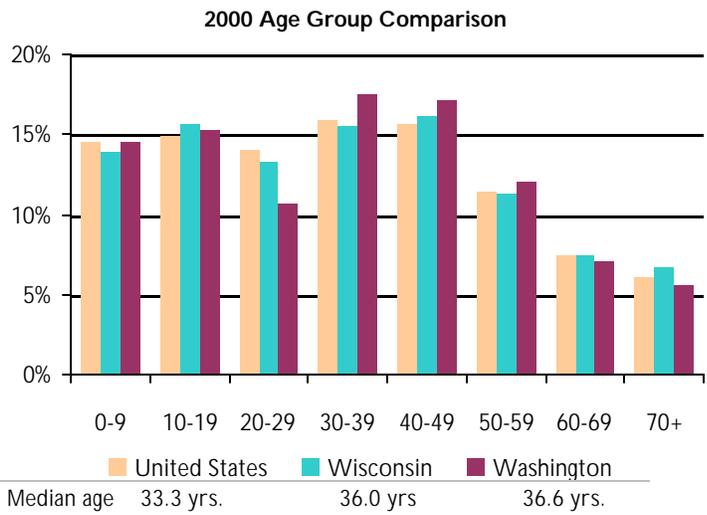




tate and the possibility of new construction, which provides the county with a distinct advantage over Milwaukee County, which has a more mature housing stock and is constrained in its stock of vacant land.

With regards to municipal population growth, a number of cities, townships, and villages reported significant growth in the county, led by the Village of Jackson, which experienced a growth rate of 3.7% over the past year. In fact, with the exception of the Town of West Bend, nine of the top ten municipalities in the county experienced, slight, but positive population growth. Again, as stated previously, growth patterns in the county are evident particularly in the western part of the county, as indicated by the level of growth experienced in Hartford and Richfield.

Another interesting facet of the county's population is the age distribution of the population. As indicated in the chart to the right, Washington County's age distribution shows some interesting patterns. Given recent concerns about the aging of the state and nation's population, the fact that the percentage of residents aged 0 to 19 as a share of



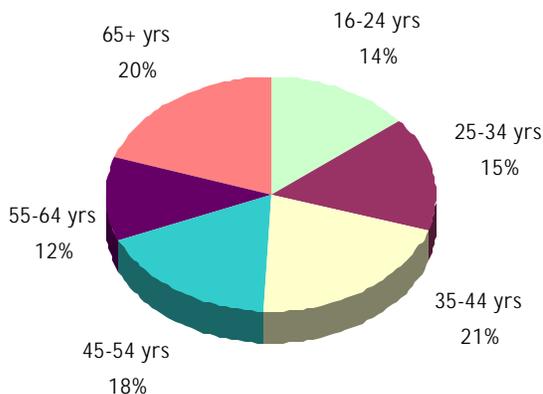
Source: US Department of Commerce, Census Bureau, *Census 2000*

total population is consistent the state share is certainly encouraging. Much of this can be attributed to the large percentage of households in the county with children under 18 (39.6%), as compared to Milwaukee County (29.5%), Ozaukee County (36.0%), and Waukesha County (35.4%).

In contrast, a lesser percentage of the population is aged 60 or over, calming concerns that the county will be affected by fears of a pending labor shortage.

County Civilian Labor Force

Washington County Labor Force Age Groups



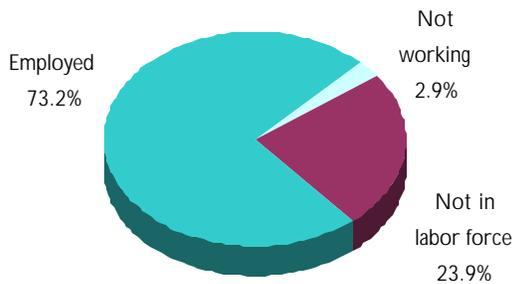
Source: US Dept. of Commerce, Census Bureau, *Census 2000*

In examining the labor force of the county, one important characteristic to consider is the distribution of the labor force by age. While the large number of those aged 65 and above, which reflects the cohort of the population that is typically retired and not active in the labor force is significant, and is an indication of an aging trend in the county's labor force, other age cohorts offer some cause for optimism. The strong presence of workers in the 16-24, 25-34, and 35-44 age cohorts indicates the potential for relative stability in the labor force in the near future as these cohorts, with the exception of the 35-44 age cohort will not be facing retirement over the next twenty years. This, coupled with significant growth in the number of residents aged 0-19, as previously discussed, will help the county

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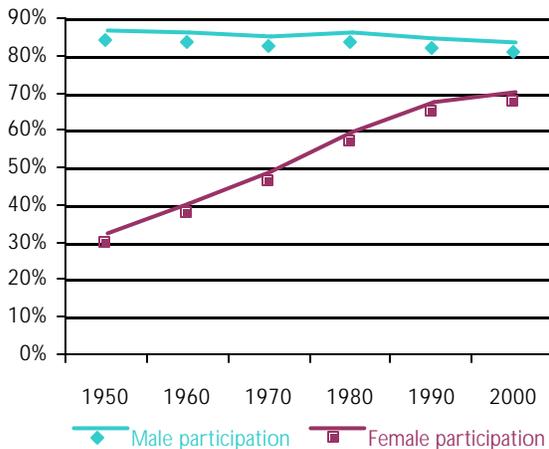


2001 Labor Force Participation



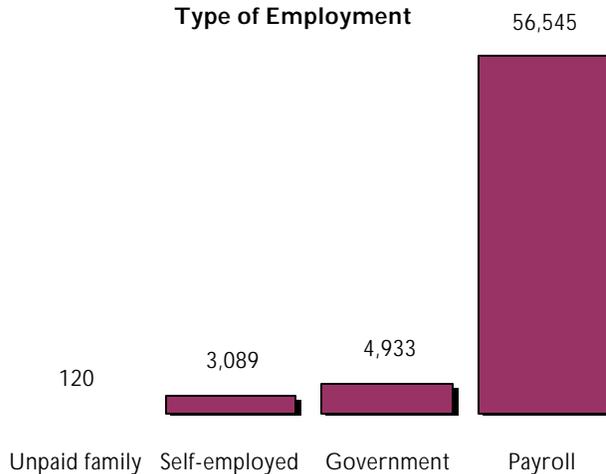
Source: Estimated from WI Dept. of Administration population estimates, Jan. 2001, US Census Bureau, and WI Local Area Unemployment Statistics.

Labor Force Participation of Male and Female Residents



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

Type of Employment



weather the period which many feel is critical to the future of the labor force, given the significant presence of the Baby Boomer generation in the labor force.

The labor force is the sum of those employed and unemployed *that have actively sought work in the last month*. **Labor Force eligible must be 16 years or older and not a member of an institutional population** such as a prison or an armed forces member living on a military base. The term "unemployed" does not necessarily include all people who are not working. For example, those who are retired or choose not to work are not considered unemployed. The phrase "Not Working" in the graph below assumes unemployed for the purposes of this profile.

In 2001, the labor force participation rate for Washington County was 76.1%. This rate represents a 0.1% increase over 2000, but is 0.9% lower than the same rate two years ago. In comparison, the county rate is higher than the Wisconsin labor force participation rate in 2001 was 73.5% (+0.7% over 2000), and the national rate was 66.9% (-0.3% from 2000). This high rate, which is indicative of the strong traditional work ethic present in the region, is a result of two factors. First, despite sustaining losses in certain key sectors, the county has experienced positive job growth over the past five years. Additionally, the presence of additional opportunities in other counties in the region, which leads to the presence of a large commuting base aids in keeping the number of unemployed relatively low, further bolstering the labor force participation rate.

A second interesting observation regarding Washington County's labor force participation rate is illustrated in the chart on the left. Between 1950 and 1990, the labor force participation rate for males in the county's labor force remained relatively stable around 82%. In comparison, the labor force participation rate of the county's female population has steadily increased over the past fifty years and showed its steepest period of growth between 1990 and 2000, approaching the 70 percent threshold. While the factors leading to the initial period of growth between 1950 and 1990 have been dis-

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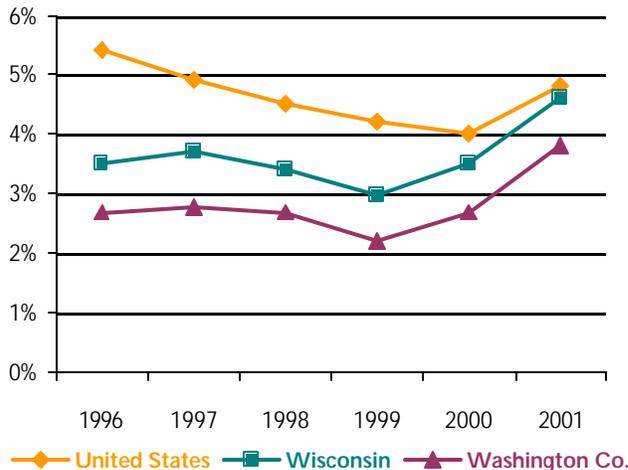


discussed in a number of media, the contrasting growth over the course of the past decade is primarily a result of economic, and not social factors. As the county and regional economy has diversified, job growth has slowed in more traditional, male-dominated industries, such as manufacturing.

Another indicator of the nature of the county's labor force is the distribution of the types of employment held by residents in the county. According to the 2000 census, 56,545 residents indicated that they were employed in payroll, or private employment. In stark contrast, far fewer residents indicated that they were employed in some form of government, were self-employed, or were employed as an unpaid family worker, such as a full-time homemaker. Much of the reason for the relatively low government employment in the county is the relative lack of state and federal positions present in the county, as compared to Milwaukee and Waukesha County.

Given the great degree of regional integration in the metropolitan area, a key indicator of the strength of the Washington County workforce can be seen in

Unemployment Rate Comparison

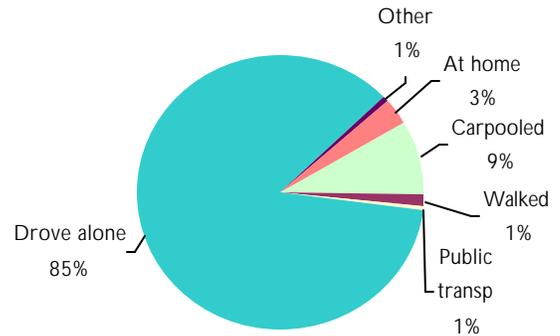


Washington County Civilian Labor Force Data

	1996	1997	1998	1999	2000	2001
Labor Force	65,900	66,700	67,500	67,100	67,600	68,500
Employed	64,200	64,900	65,700	65,600	65,800	65,900
Unemployed	1,750	1,850	1,810	1,500	1,820	2,590
Unemployment Rate	2.7%	2.8%	2.7%	2.2%	2.7%	3.8%

Source: WI Department of Workforce Development, Local Area Unemployment Statistics, revised March 2002

County Travel-to-Work Patterns



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

the travel-to-work patterns of the labor force, as reported in the 2000 census. In 2000, a full 94% of the county's labor force either drove alone (85%), or carooled (9%) from home to work daily. Many of these residents commute to work to the other three counties in the metropolitan area on a daily basis. (Note: more precise data on county commuting patterns will be available within the coming year.) Also of note is the relatively small percentage of those working at home (3%), walking (1%), or using public transportation (1%). The small percentage of those using public transportation can be attributed to a relatively limited public transit system.

Another vital indicator of the health of the Washington County labor force is the county's unemployment rate. As can be seen in the trend graph to the left, the county's unemployment rate, which had remained relatively stable between 1996 and 2000 increased sharply, from 2.7% to 3.8% in 2001 as the county entered into a recessionary period. Despite this significant increase, it is equally important to note that this 3.8% rate remains among the lowest in the state and is below the 4.0% threshold that economists recognize as an indicator of equilibrium.



County Industry Employment

Nonfarm Wage and Salary Employment

	1996	1997	1998	1999	2000	2001	Percent change	
							1 year	5 year
Total	44,805	45,366	46,467	47,627	48,649	48,682	0.1%	8.7%
Goods Producing	17,393	17,834	18,338	18,691	19,160	18,338	-4.3%	5.4%
Construction & Mining	2,280	2,427	2,530	2,589	2,715	2,809	3.5%	23.2%
Manufacturing	15,113	15,407	15,808	16,102	16,445	15,529	-5.6%	2.8%
Durable	10,254	10,602	11,002	10,908	10,939	10,061	-8.0%	-1.9%
Nondurable	4,859	4,805	4,806	5,194	5,506	5,468	-0.7%	12.5%
Service Producing	27,413	27,532	28,129	28,936	29,490	30,344	2.9%	10.7%
Transportation, Communications & Utilities	1,766	1,879	1,922	1,850	1,862	1,855	-0.4%	5.1%
Total Trade	9,371	9,774	10,019	10,861	11,023	11,751	6.6%	25.4%
Wholesale	1,807	2,216	2,234	2,451	2,532	2,743	8.3%	51.7%
Retail	7,564	7,558	7,785	8,410	8,492	9,009	6.1%	19.1%
Finance, Insurance, and Real Estate	1,964	2,002	1,980	1,976	1,937	1,927	-0.5%	-1.9%
Services & Misc.	8,331	8,772	8,973	8,919	9,148	9,352	2.2%	12.3%
Total Government	5,981	5,104	5,236	5,330	5,520	5,459	-1.1%	-8.7%

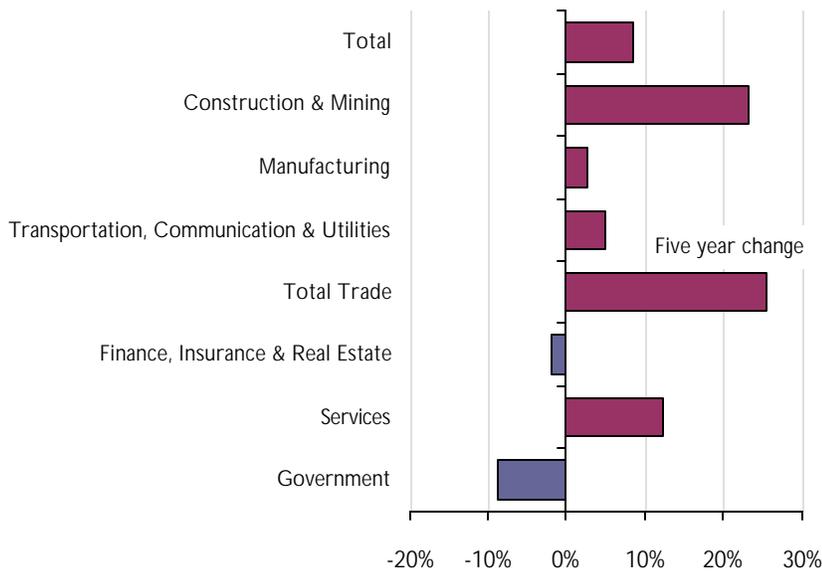
Source: WI Department of Workforce Development, Nonfarm wage and salary estimates, revised March 2002

A preliminary analysis of industry employment in Washington County shows a number of positives, particularly in light of the losses experienced in 2001. Of particular interest is the continued growth that occurred in several key sectors, including construction and mining, which increased by 3.5% despite the fact that construction employment

in other areas, such as Milwaukee County (-20%) decreased. Much of this construction growth has been driven by increased demand for new residential construction, as previously discussed, and a significant growth in industrial and commercial construction. Other key sectors that experienced significant growth in 2001 include wholesale trade (8.3%), retail trade (6.1%), and service sector firms (2.2%). The growth in wholesale trade continues the phenomenal pattern of growth in the sector, which increased by 51.7% over the past five years and has developed into a significant sector in the county. The growth of retail trade in the county can be attributed, in many ways to the population growth in the county. Much of this growth in retail trade has been concentrated around Germantown, Hartford, and West Bend.

Another sign for optimism is relatively modest growth posted by manufacturing firms, despite significant losses over the past year. One interesting trend in manufacturing is the growth of nondurable firms, who, despite losing an insignificant 0.7% last year, grew 12.5% over the past five years.

Employment Change by Industry Division: 1996 to 2001



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002



Top 10 Employers

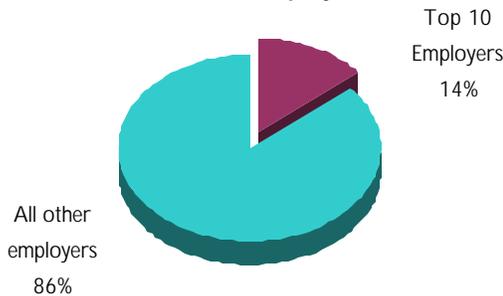
Company	Product or Service	Size
Serigraph Inc.	Commercial Printing	1000+
Quad/Graphics Inc.	Commercial Printing	500-999
Broan-Nutone LLC	Electric Housewares	500-999
Saint Joseph's Community Hospital	General Medical and Surgical Hospitals	500-999
Benevolent Corp. Cedar Campuses	Nursing and Personal Care	500-999
Prescott's Supermarkets Inc.	Grocery Store	500-999
West Bend Mutual Insurance Co	Fire, Marine and Casualty Insurance	500-999
West Bend Co	Electric Housewares	500-999
Wal-Mart Associates Inc.	Department Store	250-499
Aurora Medical Center Of Washington	General Medical and Surgical Hospitals	250-499

Top 10 Industry Groups

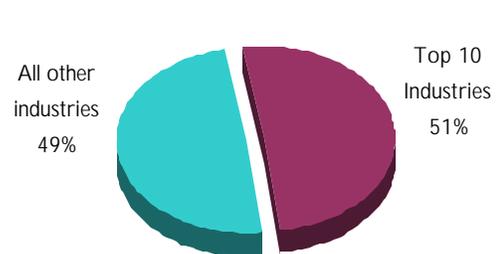
Industry Group	March 2001		Numeric change	
	Employers	Employees	1-year	5-year
Industrial Machinery and Equipment	125	3,492	-77	540
Eating and Drinking Places	156	3,341	209	167
Educational Services	15	3,140	62	262
Health Services	91	2,743	6	50
Printing and Publishing	27	2,645	-95	246
Fabricated Metal Products	44	2,597	-255	-211
Special Trade Contractors	334	1,960	75	407
Electronic & other Electric Equipment	11	1,831	-199	-366
Wholesale Trade-Durable Goods	161	1,556	132	532
Executive, Legislative, and General	20	1,430	54	65

*data suppressed to maintain confidentiality

Top 10 Employers' Share of Nonfarm Employment



Top 10 Industry Group Share of Nonfarm Employment



Source: WI Department of Workforce Development, ES-202 file tape, December 2001

Shifting focus briefly from the Washington County labor force to the county's industry composition, a number of familiar names dominate the list of the ten largest employers in 2001. Reflecting the reputation of the county as a leader in commercial printing and publishing services, Serigraph and Quad/Graphics remain the two largest employers in the county. Given the increasing emphasis placed on healthcare services because of shifting demographic

factors, it is important to note the presence of three healthcare facilities — St. Joseph's Community Hospital, Benevolent Corporation, and the Aurora Medical Center of Washington County among the top ten employers. The growth of retail trade employment is also reflected among the top ten employers with the presence of Prescott's Supermarkets and Wal-Mart.

(Continued on page 7)



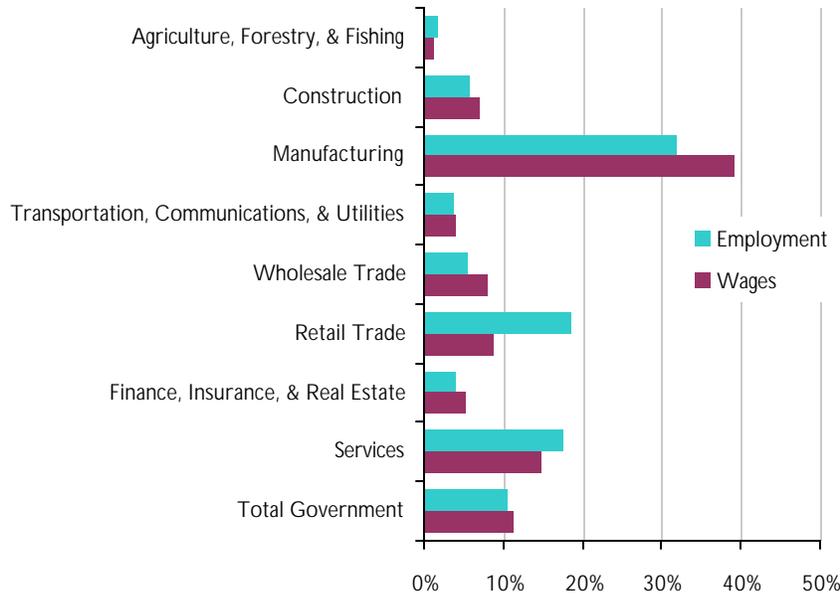
However, despite this diversity, the county's largest industry groups are dominated by more traditional sectors, including industrial machinery and equipment, eating and drinking places, and educational services. Additionally, the presence of the fabricated metal products and electronics and other electric equipment sectors in the county again restate the continued dominance of traditional firms. The economy is showing signs of diversification, as previously mentioned, by the presence of health services and special trade contractors groups

among the top ten industry groups.

The combined influence of these top firms sectors is evidenced by the fact that 14% of all county employees is employed by a top ten firm, and 51% of the county's labor force is employed in one of the top ten industry groups.

Shifting focus from industry employment to another vital indicator of the health of the county's economy — its average wages. Despite a phenomenal period of growth, both in population and employment, wage growth (18.7% over the past five years) has not been sufficient to compete with the wages offered by employers in other metropolitan counties. The average annual wage across all industries in 2001 was \$29,474 which is 4.7% less than the state average, and significantly lower than the average wage in the other three metropolitan counties. Of particular concern is the recognition that manufacturing wages (8.9% below the state average), transportation, communications, and utilities (-18.5%), services (-13.7%), and government (-6.9%) wages all place Washington County employers at a significant competitive disadvantage to other metropolitan employers in the race to attract skilled workers.

Employment & Wage Distribution by Industry Division



Annual Average Wage By Industry Division

	Washington Co. Annual Average Wage	Wisconsin Annual Average Wage	Percent of State Average	1-year percent change	5-year percent change
All Industries*	\$ 29,474	\$ 30,922	95.3%	1.9%	18.7%
Agriculture, Forestry, & Fishing	\$ 22,555	\$ 22,565	100.0%	4.6%	25.3%
Construction	\$ 35,689	\$ 39,011	91.5%	2.3%	20.3%
Manufacturing	\$ 36,212	\$ 39,739	91.1%	2.2%	17.7%
Transportation, Communications, & Utilities	\$ 30,089	\$ 36,639	82.1%	1.7%	18.6%
Wholesale Trade	\$ 41,542	\$ 40,521	102.5%	4.5%	19.8%
Retail Trade	\$ 14,042	\$ 14,596	96.2%	2.3%	18.3%
Finance, Insurance, & Real estate	\$ 39,074	\$ 40,933	95.5%	3.0%	41.9%
Services	\$ 24,824	\$ 28,775	86.3%	6.4%	28.8%
Total Government	\$ 31,459	\$ 33,785	93.1%	3.3%	9.7%

* Mining excluded from table since wages were suppressed to maintain confidentiality in every county

Source: WI DWD, *Employment, Wages, and Taxes Due covered by Wisconsin's U.C. Law, 2002*

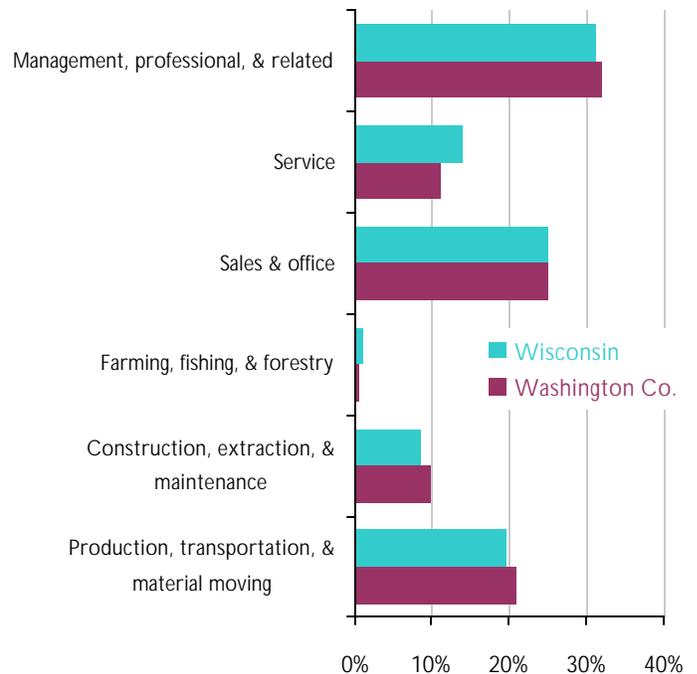


Occupation and Education Characteristics of County Population

To round out a complete understanding of the Washington County labor force, two important factors — occupational diversity and educational attainment must be considered. As illustrated by the chart on the right, Washington County compares relatively equitably with the state's occupational distribution. Among the areas of significant interest are the construction, extraction, and maintenance occupational group, where the county's distribution outpaces the state, and production, transportation, and material moving, where the county again outpaces the state's distribution. These two areas are significant as they are indicators of an "old" economy emphasis with a large concentration of construction and manufacturing positions. This occupational distribution is unique, as compared to the other three metropolitan counties.

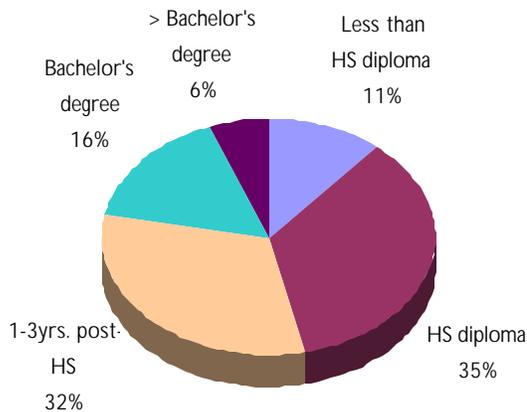
Adding to this "old" economy emphasis is the relatively small share of service occupations as compared to the state. Additionally, Washington County has the smallest percentage of service occupation workers of all counties in the metropolitan area. Given that projections indicate that service sector employment is poised to exhibit the greatest rate of employment growth (47.5% between 1998-2008), Washington County does not stand to benefit in this growth to as great a degree as other counties in the metropolitan area.

Employment by Occupation Group: 2000



US Department of Commerce, Census 2000

Education Attainment in 2000



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

Turning to a discussion of the educational attainment of the Washington County population, the emphasis on traditional industries in the county becomes even more prevalent, as illustrated in the pie chart to the left. The Washington County population, much like its metropolitan neighbors is highly educated. However, the county lags behind some of its metropolitan neighbors in the number of residents who have earned a bachelor's degree or higher. In contrast, the percentage of individuals with a high school diploma and those who have completed 1-3 years of postsecondary training in the county are the highest in the four-county metropolitan area. Of particular interest is the high percentage of those with some postsecondary education. As the census does not classify educational attainment by either vocational or associate's degrees, this category does not accurately the significant number of individuals who take advantage of the great diversity of technical and professional programs offered by the area's technical college systems, such as Moraine Park Technical College.

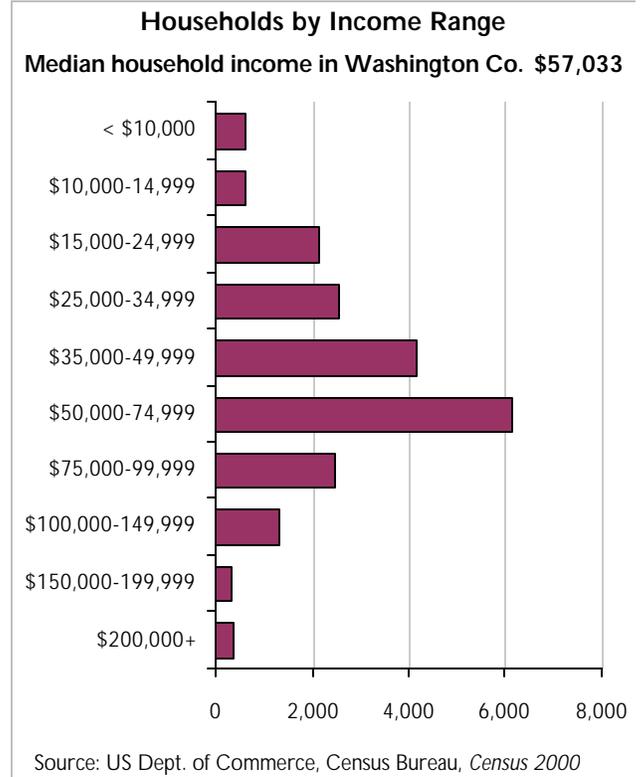


County Income Information

Due to the relatively low wage levels in Washington County, as compared to the state and other counties in the metropolitan area, one may hastily conclude that median household income would be relatively low, as well. However, as data collected from the 2000 Census suggests, this is not entirely the case. While the median household income of \$57,033 is significantly less than that of Waukesha County (\$62,839), and Ozaukee County (\$62,745), it is significantly higher than the \$38,100 average for Milwaukee County, suggesting that Washington County has been able to capitalize on the relative prosperity experienced in the suburban counties. However, the low percentage of those with median household incomes above \$150,000 suggests a level of relative affluence below that of its neighbors to the east and south.

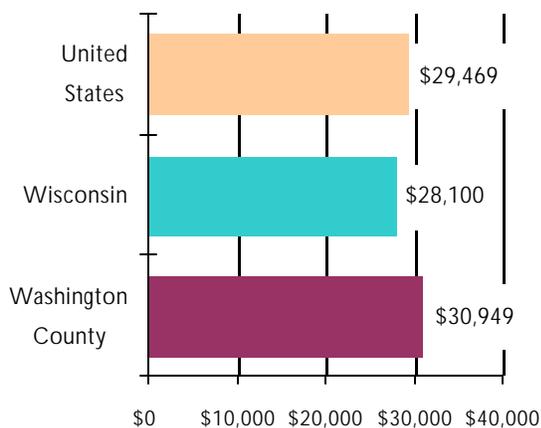
Another key indicator of the degree of affluence in Washington County is the measure of those living in poverty in the county. In 1999, 2.6% of all families, 3.6% of individuals, and 11.2% of single mother families lived in poverty. While these levels are indeed significant, they are small in comparison to Milwaukee County, which reported 11.7% of families, 15.6% of individuals, and 30.7% of single mother families in poverty.

Another measure of income commonly used in measuring the economic health of the county is per



capita personal income, which incorporates income sources other than salary and wages. Washington County's per capita personal income in 2000 was \$30,949, which is significantly higher than the state and national average, once again indicating that the county remains a strong source of growth and economic prosperity.

Per Capita Personal Income 2000



Source: US Department of Commerce, Bureau of Economic Analysis

Components of Total Personal Income: 2000

