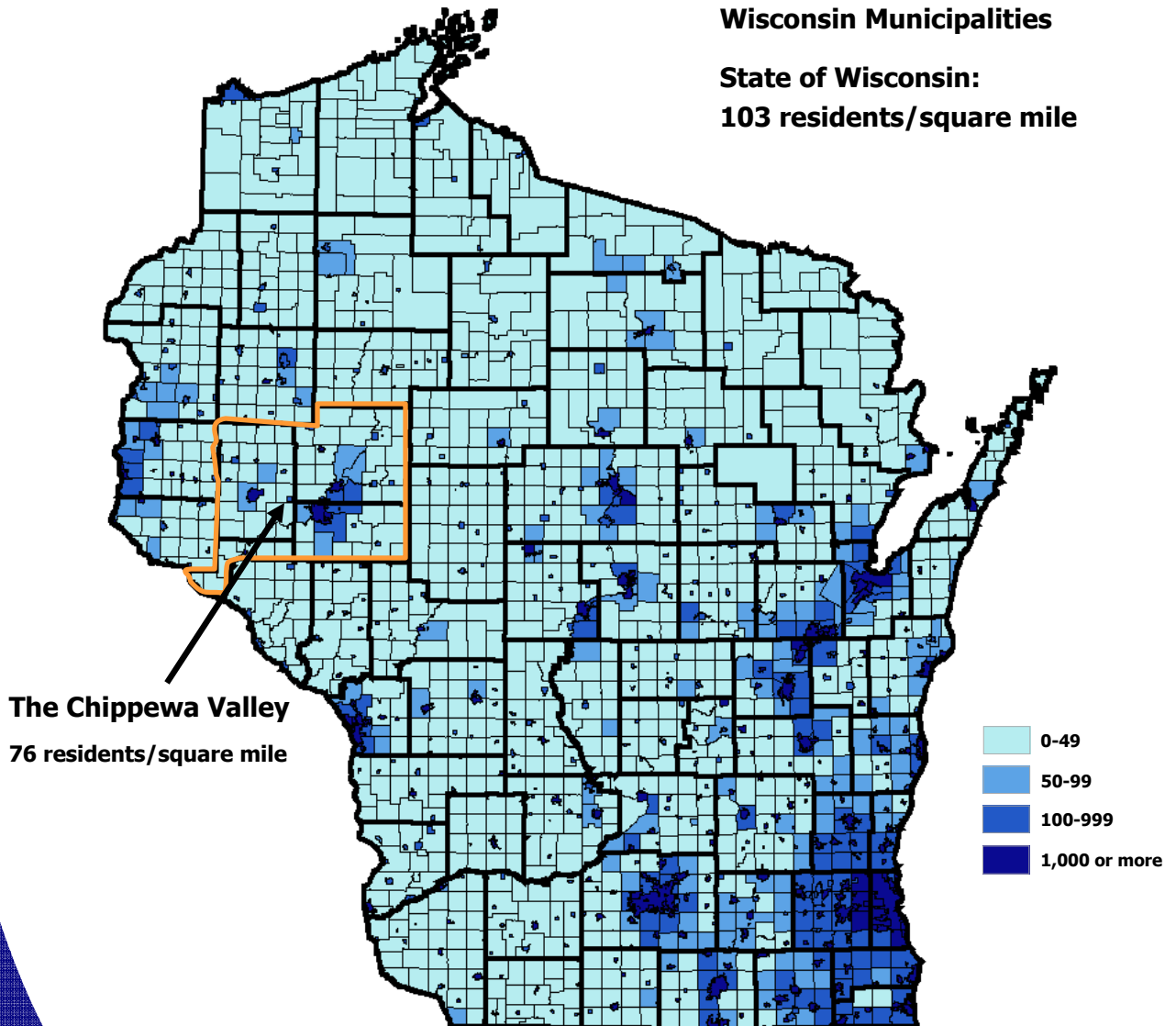


Chippewa Valley Workforce Profile

**Population Density of
Wisconsin Municipalities**

**State of Wisconsin:
103 residents/square mile**



State of Wisconsin
Department of Workforce Development
Office of Economic Advisors

March 2006

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Population

The Chippewa Valley, as defined here, consists of the four major counties along the path of the Chippewa River as it flows into the Mississippi. Chippewa, Dunn, Eau Claire and Pepin Counties are increasingly interconnected by their economies, as well as by the river that is the area's namesake.

The population in the Chippewa Valley increased 6.1 percent from 195,408 in 2000 to 207,313 in 2005. Population

lation center. The City of Menomonie, home to the region's other major college, the University of Wisconsin—Stout, is the second largest city in the Chippewa Valley.

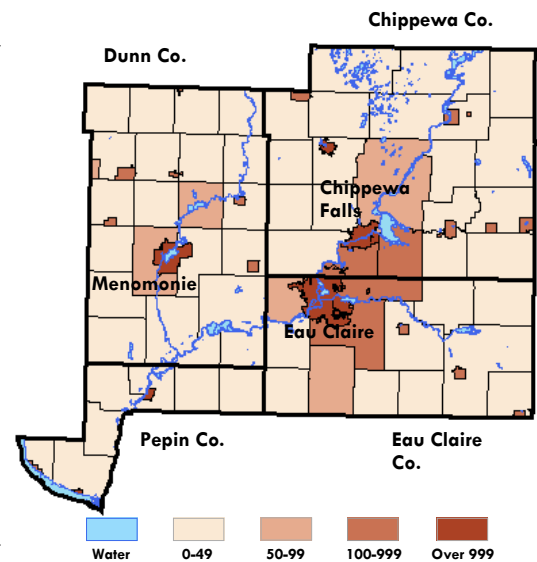
The City of Eau Claire added the most residents of any area in the Chippewa Valley from 2000 to 2005, growing by 2,928, though it was not the fastest growing municipality. The rapidly developing area between Eau Claire and Chippewa

Ten most populous municipalities in the Chippewa Valley

	April 2000 Census	Jan.1, 2005 estimate	Numeric change	Percent change	Pop. Density [†]
United States	281,421,906	295,160,302	13,738,396	4.9%	83
Wisconsin	5,363,715	5,580,757	217,042	4.0%	2,042
Chippewa Valley	195,408	207,313	11,905	6.1%	76
Eau Claire County	93,142	97,142	4,000	4.3%	152
Chippewa County	55,195	60,367	5,172	9.4%	60
Dunn County	39,858	42,208	2,350	5.9%	50
Pepin County	7,213	7,596	383	5.3%	33
Eau Claire, City	61,704	64,632	2,928	4.7%	2,134
Menomonie, City	14,937	15,415	478	3.2%	1,198
Chippewa Falls, City	12,925	13,493	568	4.4%	1,244
Washington, Town	6,995	7,253	258	3.7%	129
Altoona, City	6,698	6,728	30	0.4%	1,646
Lafayette, Town	5,199	5,722	523	10.1%	166
Lake Hallie, Village	4,949	5,668	719	14.5%	265
Bloomer, City	3,347	3,471	124	3.7%	1,292
Menomonie, Town	3,174	3,436	262	8.3%	82
Eagle Point, Town	3,049	3,223	174	5.7%	52

[†] residents per square mile

Chippewa Valley Population Density in 2005



Source: WI Dept. of Admin, Demographic Services, Population Est. Aug. 2005, Land areas Jan. 2002; Office of Economic Advisors, mapping, July 2006

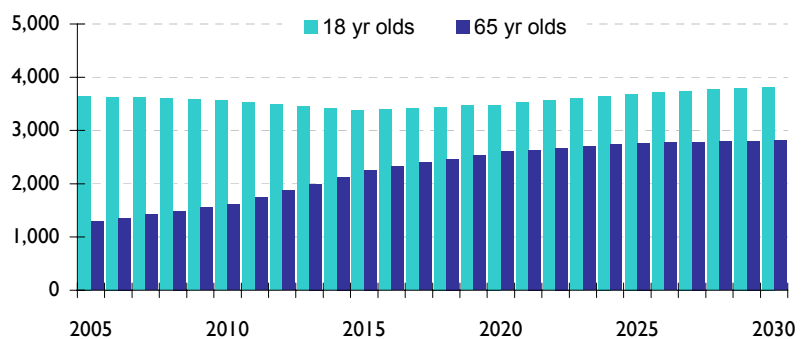
growth in the Chippewa Valley counties was fairly average, adding 11,905 residents. Though Chippewa County appears to be growing quite fast at 9.4 percent, in reality, the rate is closer to 6.6 percent. A prison in the county opened in 2002, and the resulting influx of 1,500 inmates skewed the population numbers. Natural increase, or births minus deaths, added 3,771 residents. Eau Claire and Dunn Counties have some of the highest rates of natural increase in the state, a fact which indicates relatively young populations starting families. Net-migration, or people moving into the county minus those leaving, accounted for most of the Chippewa Valley's growth, adding 8,134 residents.

The City of Eau Claire, home to the University of Wisconsin-Eau Claire, is the largest population center in the area, and has been a center of commerce since its incorporation in 1872. Located at the confluence of two rivers and five major highways, the city covers about 27 square miles, with a population density of 2,365 residents per square mile. Eau Claire also shares its northern border, and its workforce, with the area's third largest city, Chippewa Falls (pop. 13,493) - though Eau Claire is the much larger popu-

lation center. Falls, which includes the Village of Lake Hallie and the Town of Lafayette, is experiencing the fastest growth in the Chippewa Valley, highlighting the increasing economic connections between the two cities.

While the Chippewa Valley may have a more favorable situation than many Wisconsin regions with regards to its population increase, no county is immune from the toll that an aging population will take on the workforce. The graph below de-

Juncture of 18 & 65 year old population in the Chippewa Valley



Source: WI Dept. of Administration, Demographic Services, Pop. projections, 2004

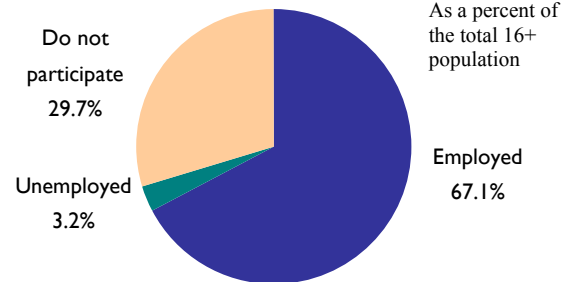
Labor Force

picts the number of individuals 18 and 65 years of age to 2030. These groups were selected to represent an age when many individuals join the full-time workforce or pursue secondary education, as well as the common age of retirement.

The graph on the previous page (numbers are only projections, intended as an indicator of the trend we expect) shows the rising swell of the retirement-age population. While the graph isn't as dramatic in the Chippewa Valley as it is in other regions, bear in mind that many of the 18 year olds shown are attending college, and will likely leave the area when they graduate, leaving fewer workers to replace the retirees exiting the workforce.

In the Chippewa Valley in 2005, about 67 percent of the population 16 years and over participated in the labor force (either working or looking for work). That's lower than the

Labor force participation in the Chippewa Valley



Source: DWD, Office of Economic Advisors, July 2006

Chippewa Valley Civilian Labor Force Data

	2001	2002	2003	2004	2005
Labor Force	111,836	112,728	115,265	115,007	114,712
Employed	106,955	107,012	109,275	109,604	109,550
Unemployed	4,881	5,716	5,990	5,403	5,162
Unemployment Rate	4.4%	5.1%	5.2%	4.7%	4.5%

Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2006

statewide labor force participation rate of 70 percent, but still makes the Chippewa Valley relatively average compared to other regions of the state. There are two state universities and a large tech college in the Chippewa Valley, which affects the labor force participation rate. Many students choose to devote more time to their studies, rather than work, but they are still counted in the working age population, which lowers the participation rate in the area.

The Chippewa Valley's 2005 unemployment rate was lower than in the last few years, but still higher than 2001. However, the average annual number of unemployed residents increased by only 281 since 2001. The labor force grew by 2,876 participants, with most of those workers joining the ranks of the

employed.

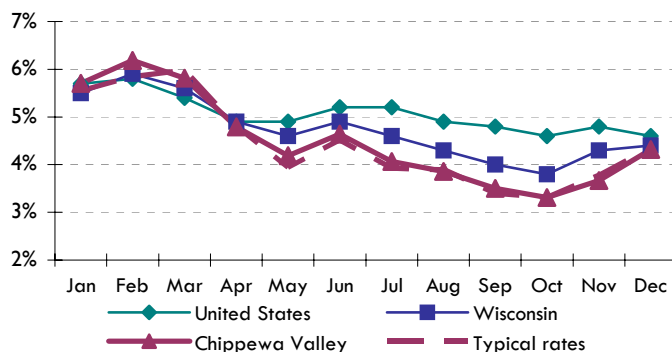
Though the unemployment rate in 2005 averaged 4.5 percent, rates throughout the year can fluctuate greatly. 2005 unemployment rates in the Chippewa Valley ranged from a February peak of 6.2 percent to a low of 3.3 percent in October. These unemployment patterns follow the typical trend in the area, shown on the unemployment rates graph below as a dashed line. Nationally, rates tend to rise in spring and early summer as graduates enter the

labor market, mostly unemployed, but soon find jobs.

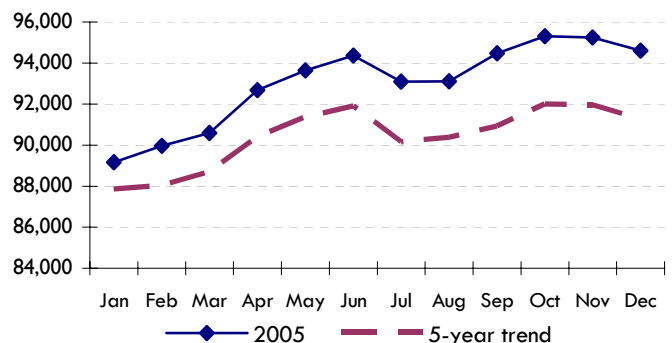
The seasonal swing in unemployment reflects the seasonal nature of many local jobs. Typically, employers in the Chippewa Valley add jobs steadily throughout the year, with a dip in July as the effects of schools recessing for the summer appear. Then the number of jobs increases again to an usual October peak. Much of the gain throughout the spring is due to workers returning to seasonal jobs they departed from during the winter months, but employers also add new jobs throughout the year.

In 2005, the Chippewa Valley averaged almost 2,600 more jobs throughout the year than the 5-year trend depicted on the graph below, a positive indicator of job growth in the area.

Unemployment Rates Compared



Total Payroll Jobs in the Chippewa Valley



Source: DWD, Bureau of Workforce Information, Local Area Unemployment Statistics and Quarterly Census of Employment and Wages

Industries and Employers

Education & healthcare is the largest industry of employment in the Chippewa Valley—both sub-sectors are important to the area economy. Eleven of the top employers on the list to the right are in the education & healthcare industry group.

Eau Claire, especially, is home to a booming healthcare cluster, with three local hospitals, as well as numerous clinics and residential care facilities. Though growth in healthcare is a national trend, the industry has a higher than average concentration in Eau Claire, with 8,500 employees, and has added almost 1,600 jobs from 2000 to 2005! Eau Claire County employs almost 2 out of every 3 workers in the Chippewa Valley's total healthcare employment of 13,846. No other industry group has greater representation on the prominent industry list below. In fact, three of the ten spots on the prominent industries list are part of the healthcare sector. The highest paying sub-sector on the list below is also part of the healthcare industry. The average wage in ambulatory health care services, like clinics and dental offices, is \$57,741, higher than any other sub-sector, and it rose by 8 percent from 2000 to 2005, signaling the demand for skilled professionals in this

field. In fact, ambulatory health care wages rose by a whopping 29% in Eau Claire County!

Educational services (including both public and private institutions), the other sector included in the large education & healthcare industry, is also a major employer in the Chippewa Valley. This is not really surprising, given that the Chippewa Valley is home to the University of Wisconsin—Eau Claire, University of Wisconsin—Stout and Chippewa Valley Technical College. This

(Continued on page 4)

Prominent Public and Private Sector Employers in the Chippewa Valley

County	Establishment	Service or product	Employees
			Dec. 2005
Eau Claire	Eau Claire Area School District	Elementary & secondary schools	1000+
Eau Claire	Hutchinson Technology Inc	Computer storage device manufacturing	1000+
Eau Claire	Luther Hospital	General medical & surgical hospitals	1000+
Eau Claire	Menard Inc	General warehousing & storage	1000+
Eau Claire	Midelfort Clinic Ltd Mayo Health	Offices of physicians, except mental health	1000+
Eau Claire	Sacred Heart Hospital	General medical & surgical hospitals	1000+
Eau Claire	University of Wisconsin- Eau Claire	Colleges & universities	1000+
Dunn	University of Wisconsin- Stout	Colleges & universities	1000+
Dunn	Wal-Mart Associates Inc	General warehousing & storage	1000+
Dunn	3M Company	Coated & laminated paper manufacturing	500-999
Chippewa	Chippewa Falls Public Schools	Elementary & secondary schools	500-999
Eau Claire	Chippewa Valley Technical College	Junior colleges	500-999
Eau Claire	City of Eau Claire	Executive & legislative offices, combined	500-999
Dunn	County of Dunn	Nursing care facilities	500-999
Chippewa	Department of Corrections	Correctional institutions	500-999
Dunn	Menomonie Public Schools	Elementary & secondary schools	500-999
Chippewa	Saint Joseph's Hospital	General medical & surgical hospitals	500-999
Chippewa	TTM Advanced Circuits Inc	Bare printed circuit board manufacturing	500-999
Eau Claire	United Healthcare Services Inc	Direct health & medical insurance carriers	500-999

Source: DWD, Bureau of Workforce Information, Quarterly Census of Employment and Wages

Prominent industries in the Chippewa Valley

Industry Sub-sectors (3-digit NAICS)	Average Employment, 2005	Change in average employment		Weighted annual average wage in 2005	Percent change in wages		Establishments Avg 2005
		1-year	5-year		1-year	5-year	
Educational Services	8,617	32	312	\$ 35,769	2.4%	2.5%	92
Food Services & Drinking Places	7,239	n.a.	714	*	n.a.	n.a.	437
Hospitals	4,398	n.a.	n.a.	*	n.a.	n.a.	7
Administrative & Support Services	3,933	n.a.	n.a.	\$ 18,136	n.a.	n.a.	204
Computer & Electronic Product Mfg	3,236	n.a.	n.a.	*	n.a.	n.a.	21
Ambulatory Health Care Services	3,582	48	418	\$ 57,741	6.3%	8.0%	3
Nursing & Residential Care Facilities	4,512	-177	n.a.	\$ 20,538	-2.0%	n.a.	79
Executive, Legislative, & Gen Government	2,747	-164	n.a.	\$ 32,251	7.1%	n.a.	102
General Merchandise Stores	3,092	n.a.	n.a.	\$ 16,303	n.a.	n.a.	37
Professional & Technical Services	2,774	17	383	\$ 42,134	3.7%	4.0%	334

Note: Greyed data indicates some values have been imputed.

n.a. = not available

*suppressed data

Source: DWD, Bureau of Workforce Information, Quarterly Census of Employment and Wages

Industries and Employers, continued

sector also includes the 17 school districts serving their areas of the region. The education sector employed an average 8,617 workers in 2005, and has added 312 jobs over from 2000 to 2005.

Another prominent industry in the Chippewa Valley is the computer & electronic product manufacturing sub-sector, though much of the information on it is suppressed. This high-tech manufacturing cluster of businesses is mostly centered in Chippewa and Eau Claire Counties. While Chippewa still leads in employment in computer & electronic product manufacturing, at 1,755 in 2005, jobs in this sector have been disappearing there, while similar employment in Eau Claire has been rising, to 1,476 in 2005. However, the average wage in computer & electronic product manufacturing in Chippewa is much higher, at \$49,648 in 2005 (highest of Chippewa's prominent industries), while in Eau Claire, the average wage was 36,616, most likely due to differences in the occupation mix at companies in this field.

So why does one prominent industry, like ambulatory health-

care, have such a high average wage, while another, like administrative and support services, have such a low wage? The answer lies in the prominent occupations table below.

The list below shows the usual employment patterns for industries like those on the prominent Chippewa Valley industries table from the previous page. Many of the common occupations in the ambulatory healthcare field are high-skilled, well-compensated specialties, like registered nurses. So a field with more highly paid occupations will have a higher average wage. In lower paying industries, like administrative and support services, the most common occupations are low-skill positions like janitors or warehouse-type laborers, giving the industry a lower average wage.

The top five occupations are based on the employment patterns of industries in the State of Wisconsin, a measure not available for smaller geographic areas, like counties. So while it provides useful information about the mix of occupations in an industry statewide, these data can generate some inconsistencies when we try to apply them to smaller areas.

Prominent occupations in prominent industries in the Chippewa Valley

Educational Services Elementary School Teachers, Not Special Education Secondary School Teachers, Not Special & Voc. Education Teacher Assistants Middle School Teachers, Not Special & Voc. Education Janitors & Cleaners, Not Maids & Housekeeping Cleaners	Ambulatory Health Care Services Registered Nurses Receptionists & Information Clerks Dental Assistants Dental Hygienists Medical Assistants
Food Services & Drinking Places Combined Food Prep. & Servers, Includ. Fast Food Waiters & Waitresses Bartenders 1st-line Sprvs/Mngrs-Food Prep. & Servers Cooks, Restaurant	Nursing & Residential Care Facilities Nursing Aides, Orderlies, & Attendants Home Health Aides Personal & Home Care Aides Registered Nurses Licensed Practical & Licensed Voc. Nurses
Hospitals Registered Nurses Nursing Aides, Orderlies, & Attendants Healthcare Support Workers, All Other Licensed Practical & Licensed Voc. Nurses Secretaries, Not Legal, Medical, & Executive	Executive, Legislative, & Gen Government Highway Maintenance Workers Legislators/Elected Officials Secretaries, Not legal, medical, & executive Office Clerks, General Janitors & Cleaners, Not Maids & Housekeeping Cleaners
Administrative & Support Services Janitors & Cleaners, Not Maids & Housekeeping Cleaners Inspectors, Testers, Sorters, Samplers, & Weighers Landscaping & Groundskeeping Workers Security Guards Laborers & Freight, Stock, & Material Movers, Hand	General Merchandise Stores Retail Salespersons Cashiers Stock Clerks & Order Fillers Laborers & Freight, Stock, & Material Movers, Hand 1st-line Sprvs/Mngrs-Retail Sales Workers
Computer & Electronic Product Mfg Team Assemblers Electrical & Electronic Equipment Assemblers Electrical & Electronic Engineering Technicians Inspectors, Testers, Sorters, Samplers, & Weighers Computer Software Engineers, Applications	Professional & Technical Services Lawyers Accountants & Auditors Bookkeeping, Accounting, & Auditing Clerks Legal Secretaries Secretaries, Not Legal, Medical, & Executive

Source: DWD, Bureau of Workforce Information and Office of Economic Advisors, Wisconsin Industry-occupation matrix

Jobs and Wages

The average annual wage in the Chippewa Valley in 2005 was \$30,522, which was 86 percent of the average wage in Wisconsin of \$35,503. The Chippewa Valley's largest industry, by employment and even more so by total payroll, is education & health; the average wage in this industry, \$35,020, is 94 percent of the state wage. Education pays similar to statewide wages in Eau Claire and Dunn, where the colleges are located, but pays lower than the state average in Chippewa and Pepin. The health-care industry in Eau Claire County actually pays more than the statewide average wage, attesting to the high demand for these workers. In the other Chippewa Valley counties healthcare pays significantly lower than the statewide average—clinics in smaller rural areas tend to have lower concentrations of highly paid specialists, a factor that normally lowers average healthcare wages in these counties.

The next largest sector, trade, transportation, and utilities, pays only about 85 percent of the statewide average. Not only do jobs in these sub-sectors pay lower than their statewide averages, the Chippewa Valley has a higher-than-average concentration of low paying trade jobs, mostly retail. Only Dunn County has a higher than average concentration of the higher paying transportation jobs, an effect of the Wal-Mart distribution center located near Menomonie. The impact of this large sector on the local average wage likely accounts for

Average Annual Wage by Industry Division in 2005

	Average Annual Wage		Percent of Wisconsin	1-year % change
	Wisconsin	Chippewa Valley		
All industries	\$ 35,503	\$ 30,522	86.0%	2.1%
Natural resources	\$ 27,765	\$ 21,808	78.5%	Not avail.
Construction	\$ 42,891	\$ 38,299	89.3%	3.8%
Manufacturing	\$ 44,430	\$ 39,359	88.6%	Not avail.
Trade, transportation & utilities	\$ 31,088	\$ 26,341	84.7%	2.6%
Information	\$ 43,439	suppressed	Not avail.	Not avail.
Financial activities	\$ 46,267	\$ 34,124	73.8%	6.1%
Professional & Business Services	\$ 40,462	\$ 33,725	83.4%	-5.3%
Education & Health	\$ 37,228	\$ 35,020	94.1%	3.8%
Leisure & Hospitality	\$ 12,468	\$ 9,334	74.9%	2.2%
Other services	\$ 20,604	\$ 18,677	90.6%	2.3%
Public Administration	\$ 37,244	\$ 35,493	95.3%	5.0%

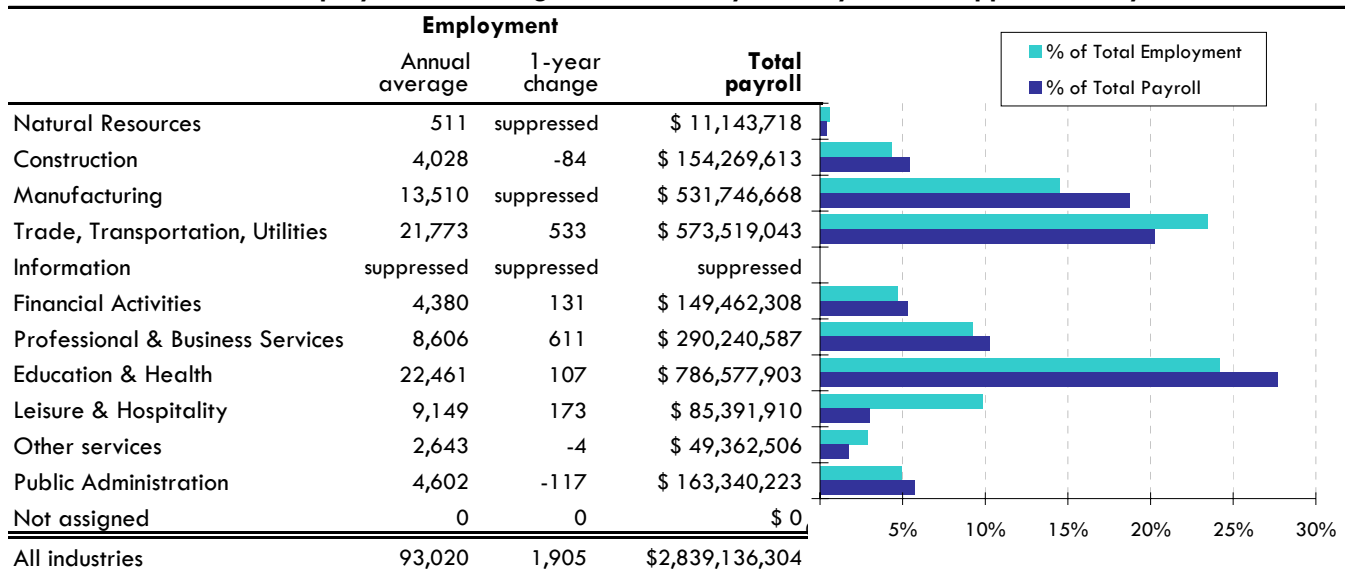
Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

much of the disparity between the Chippewa Valley's average wage and the state's.

The Chippewa Valley gained a 1,905 net jobs in 2005, with most sectors gaining jobs. Average wages grew by 2.1 percent, similar to the state's growth rate of 2.2 percent.

The biggest over-the-year gains, at least in sectors we have available data in, were in professional & business services and trade, transportation, and utilities. Most of the gain in the trade, transportation, and utilities sector occurred in Chippewa and Eau Claire Counties. Growth in professional & business services has been a national trend—businesses continue to out-source functions like janitorial services or accounting to specialized firms, which fuels growth in this diverse industry sector.

2005 employment and wage distribution by industry in the Chippewa Valley



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2006

Per Capita Personal Income

Total personal income (TPI) in the Chippewa Valley increased 5.5 percent in 2004, similar to statewide growth, but slower than the nationwide rate. However, TPI lagged state and national growth over the five-year span.

Total personal income divided by the total population produces per capita personal income (PCPI). The Chippewa Valley's per capita personal income of \$27,195 is below state and national PCPI, but is fairly comparable to the median in the various counties around the state.

and it is slightly lower than the state and nation (70%). Net earnings includes wages earned from employers, as well as earnings of self-employed workers and proprietors, and adjustments for wages earned by residents who work outside the county. We already know from page 5 that industry wages from employers are below state levels—the most likely reason for income disparity in this area. Of the four counties in the Chippewa Valley, three have a positive adjustment for residence, which means that more income is being earned by residents working outside the county, than by non-residents working in the county. The reverse is true only for Eau Claire County in this area—its negative adjustment points to its status as the area's major commuter employment destination.

The second major element of TPI is property income. Property income is roughly 16 percent of TPI in the Chippewa Valley, similar to the state and nationwide averages.

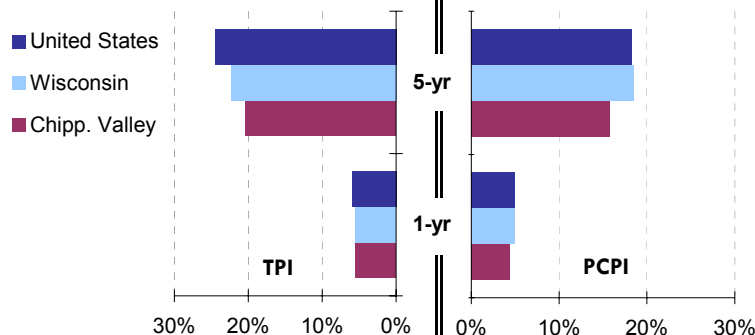
The third component of TPI is income from transfer receipts. Transfer receipts refer to benefits like social security, unemployment insurance, disability payments, and welfare. About 15 percent of TPI in the Chippewa Valley is from transfer receipts, fairly average compared with 14 percent in Wisconsin and 15 percent in the United States. Transfer receipts were higher in Chippewa, and especially Pepin Counties, which indicates an older population on average, with a higher proportion of retirees.

The lower wages play a role in the Chippewa Valley's low PCPI, as does having two state universities located in the area. Of the students that do work, many only work part-time, often in low paying jobs. But regardless of that fact, they are still included in the total population, used as the denominator in determining PCPI, which contributes to a lower per capita income.

A per capita personal income increase of 4.3 percent over the one-year timeframe lagged increases in both the state and nation, as did the growth rate over the five-year period.

Personal Income in the Chippewa Valley

	Total Personal Income (TPI) (in thousands)			Per Capita Personal Income (PCPI)		
	2004	2003	1999	2004	2003	1999
Chipp. Valley	\$5,489,926	\$5,202,413	\$4,562,459	\$27,195	\$26,064	\$23,497
Wisconsin	\$177,026,243	\$167,785,798	\$144,702,139	\$32,166	\$30,664	\$27,135
United States	\$9,705,504,000	\$9,157,257,000	\$7,796,137,000	\$33,050	\$31,484	\$27,939
Percent Change		1-year	5-year		1-year	5-year
Chipp. Valley		5.5%	20.3%		4.3%	15.7%
Wisconsin		5.5%	22.3%		4.9%	18.5%
United States		6.0%	24.5%		5.0%	18.3%



Source: U.S. Dept. Commerce, Bur. of Economic Analysis, Regional Economic Information System, May 2006

A closer look at the components of total personal income lends some insight to the lower PCPI in the Chippewa Valley. Total personal income includes income from net earnings; dividends, interest and rent—sometimes referred to as property income; and transfer receipts.

In the Chippewa Valley, 68 percent of TPI is from net earnings. This comprises the greatest source of income in the area,

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Data used in this profile is subject to revision. Please check with the author for updates.