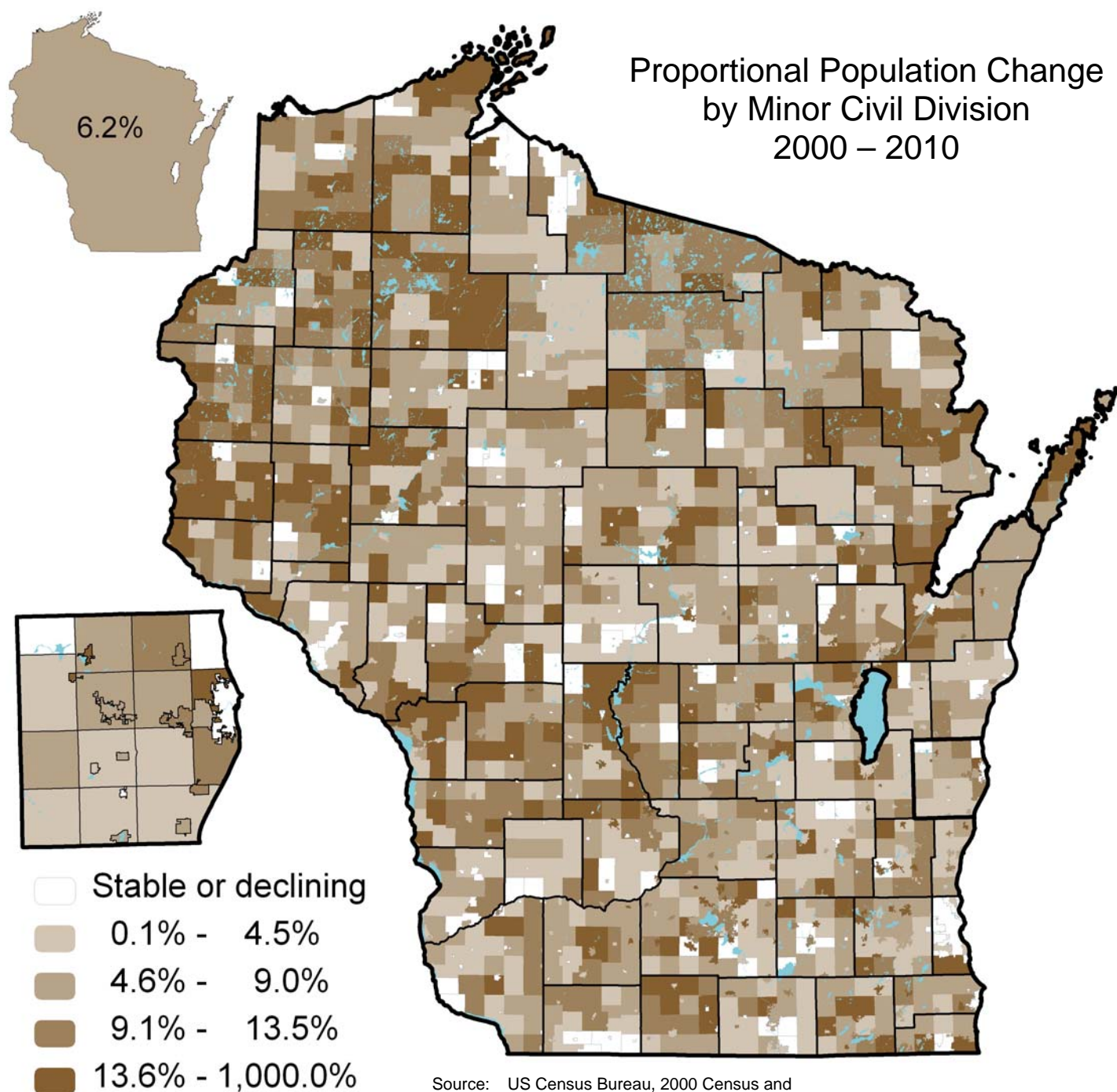


Sheboygan County Workforce Profile

2011



Source: US Census Bureau, 2000 Census and
WI Dept. of Administration Demographic Services, January 2010

WISCONSIN



Department of Workforce Development

Office of Economic Advisors

OEA-10652-P

Jeff Sachse
701 Cherry Street
Green Bay, WI 54301
902.448.5268
jeff.sachse@dwd.wisconsin.gov



Sheboygan County Workforce Profile



2011

Slowly It Grows

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

As this is written in November 2011, the economic recovery is officially more than two years old. The National Bureau of Economic Research, the organization that defines U.S. recessions, stated that the recession began in December 2007 and ended in June 2009. Mapping economic activity and employment changes through this business cycle has charted new territory.

This "Great Recession" has discovered new latitudes on a number of fronts. It is the first time since World War II that GDP registered declines four quarters in a row. GDP dropped 5.4 percent from the fourth quarter of 2007 peak, to the second quarter of 2009 trough. The previous worst post-war recession GDP decline was 3.7 percent in the 1957 recession. The severe recessions of 1973 and 1981 saw GDP fall by 2.8 percent and 2.9 percent respectively. In most recessions, the trough occurred in the second or third quarter following the peak. This recession's trough occurred six quarters after the peak. Suffice it to say that the Great Recession set new records in depth and duration for post-war recessions.

The recovery from this recession has been lethargic. Post-war economic recoveries usually reached new real GDP levels two or three quarters after the trough. The

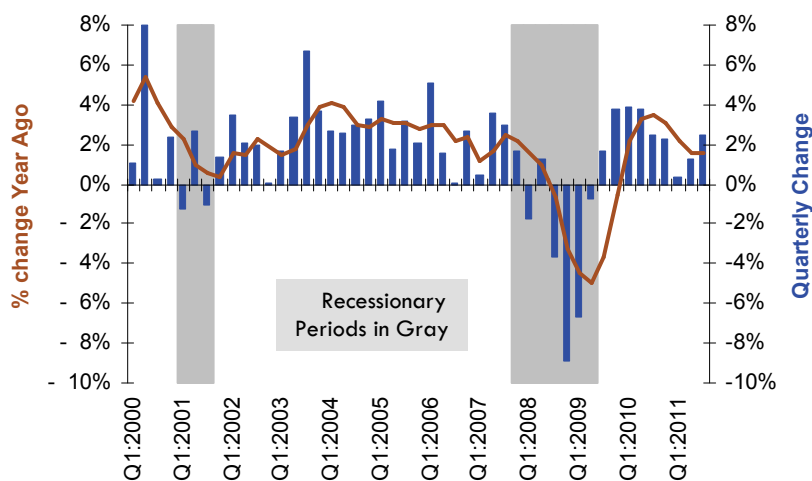
1981 recovery took five quarters to reach new output levels. The current growth cycle is nine quarters old and GDP has only now reached pre-recession levels.

The primary drags on the recovery have been: 1) housing markets, 2) deleveraging, and 3) high unemployment. New home construction is running at about a quarter of the previous peak and about one million units per year below long-run demand rates of 1.5 million units per year. Consumers, companies, banks, and governments are all deleveraging — paying down debt and recalibrating cash flows. Companies are reluctant to hire new workers in this uncertain economic environment.

Concerning the housing market, relatively few new homes being built generate little demand for new carpet, doors, windows, appliances, etc. Also, and more importantly for economic demand, the trillions of dollars that evaporated from home equity balances have disappeared from the economy. With that loss, consumers now must pay for purchases out of cash flow, primarily earnings, instead of unrealized capital gains. The six trillion dollars of lost home and investment equity has revalued baby boomers' retirement portfolios and induced higher savings. In addition, high unemployment is retarding aggregate earnings growth. It is difficult to increase consumption while paying down debt and increasing savings with stagnant income.

The exiguous demand growth offers no incentive to expand production. Non-residential investment has been increasing in equipment and software — labor saving investment. Structures investment — production expansion — has been flat. Limited demand coupled with productivity investments yields little need to increase payroll. The economic feedback loops follow that no new hiring leads to no new earnings leads to no new demand leads to no new production capacity leads to no new hiring; hence slow economic recovery.

Real GDP Change 2000 Q1 - 2011 Q3



Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2011

Slowly It Goes (cont.)

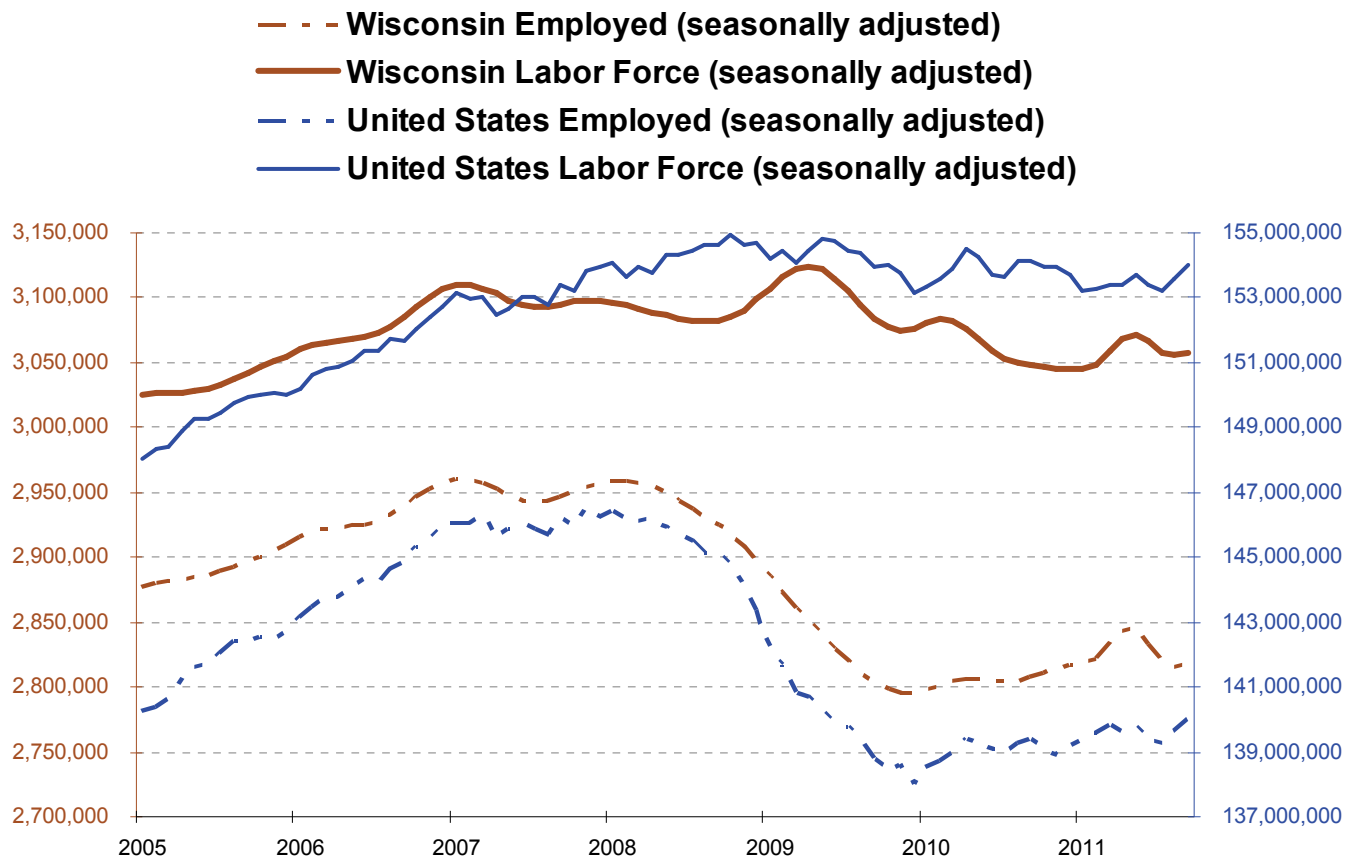
The employment situation mimics the economic path, with some lag. The U.S. unemployment rate peaked at 10.1 percent in October 2009 on a seasonally adjusted basis, after the recession was declared over. Wisconsin's unemployment rate peaked at 9.2 percent in June and July 2009, and matched it again in January 2010. The unemployment rate didn't get as elevated as it had in the past. The U.S. unemployment rate reached 10.8 percent in November and December of 1982. Wisconsin's unemployment rate peaked at 11.5 percent in January of 1983. Wisconsin's unemployment rate has remained below the nation through this business cycle. This is due to the fact that Wisconsin's residential construction sector didn't collapse to as great a degree as did some other states, such as Arizona, California, and Florida. Also, Wisconsin's diversified industry alleviates it from large impacts to a single industry, such as the automobile industry concentrations in Michigan, Ohio, and Indiana.

Job loss in the state was more severe than past recessions. Wisconsin displaced almost six percent of its job base during this recession. The state displaced just over five percent of its job base in the 1981 recession.

To a large extent, this has been a "jobless" recovery. Wisconsin's job level is still more than four percent below pre-recession levels twenty-three months after the employment bottom. Job recovery in the 1981 economic recovery was relatively rapid, reaching pre-recession job levels thirteen months after the bottom.

Illustrated below are the workforce and employment dynamics for the state and the nation through the last two business cycles. What is evident is the loss of employment during the recessions. What has changed over the period is that the workforce actually turned negative. Wisconsin's workforce declined 0.6 percent through the 2001 recession. The jobs recovery then took over four years to reach pre-recession levels. This time, Wisconsin's workforce decreased 1.7 percent at the lowest point, and the U.S. workforce turned lower for the first time.

Due to the way the unemployment rate is calculated, the state and national unemployment rates would be higher than the current (September 2011) 7.8 percent and 9.1 percent for Wisconsin and the U.S., respectively, if the workforce had remained steady or increased over the period.



Source: WI DWD, Bureau of Workforce Training, LAUS, 2011

Population

The population of Sheboygan County in 2010 was 117,650, or approximately 5,000 residents more than that reported in the 2000 Census. This accounts for a 4.4 percent growth rate over the decade. This lags behind both the state (6.2 percent) and national (9.6 percent) population growth rate over the same period. Putting this growth in more local perspective, the county's growth was greater than that of Manitowoc County (2.6 percent), but less than that of Fond du Lac (5.2 percent) or Ozaukee County (6.2 percent).

Furthermore, the county's decade-long population growth rate is only roughly half that of the 1990's, when the county's population grew by 8.5 percent. This pattern is relatively common in the state, as only 14 counties bested their 1990-2000 growth in the past decade. This disparate growth is the result of a number of factors that will be explored throughout the course of this profile, including a gradually aging population, a socially mobile labor force, and the economic fluctuations and subsequent restructuring that occurred over the decade.

Sheboygan County's location has historically played an important role in shaping its population. The county, while itself a metropolitan statistical area, lies roughly equidistant between two larger metro areas — Green Bay and Milwaukee — and in close proximity to the

Sheboygan County's 10 Most Populous Municipalities

	Apr 1, 2000 Census	Jan 1, 2010 Estimate	Numeric Change	Proportional Change
United States	281,421,906	308,400,408	26,978,502	9.6%
Wisconsin	5,363,715	5,695,950	332,235	6.2%
Sheboygan County	112,656	117,650	4,994	4.4%
Sheboygan, City	50,792	50,400	-392	-0.8%
Plymouth, City	7,781	8,477	696	8.9%
Sheboygan Falls, City	6,772	7,643	871	12.9%
Sheboygan, Town	5,874	7,214	1,340	22.8%
Wilson, Town	3,227	3,584	357	11.1%
Plymouth, Town	3,115	3,302	187	6.0%
Howards Grove, Village	2,792	3,093	301	10.8%
Lima, Town	2,948	2,983	35	1.2%
Oostburg, Village	2,660	2,932	272	10.2%
Greenbush, Town	2,619	2,638	19	0.7%

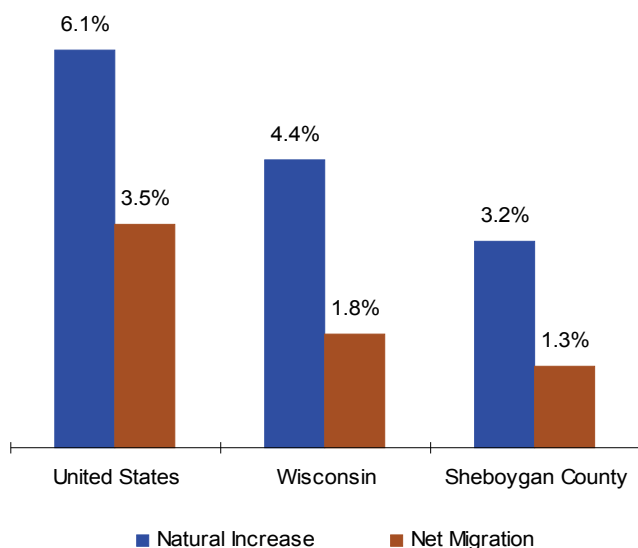
Source: WI Dept. of Administration, Demographic Services, Population Est., 2011

greater Fox River valley. This extends the job market available to residents well beyond the county's boundaries. Similarly, the county has recently gained national acclaim for being an ideal retirement destination, in part because of the proximity to the amenities offered by these larger areas as well as those situated locally.

Narrowing our focus to changes in the county's municipalities, we see that the City of Sheboygan's population lost roughly 400 residents over the decade, while the Town of Sheboygan's population increased by 22.8 percent. Other areas also experiencing notable growth are the City of Sheboygan Falls (12.9 percent), Town of Wilson (11.1 percent), Village of Howards Grove (10.8 percent), and Village of Oostburg (10.2 percent). Population growth over the last decade in particular locations has been primarily driven by the availability of developable real estate. As a consequence, many of the state's more urbanized regions have experienced similar growth patterns.

The role that mobility plays in the county's future growth is clearly illustrated in the components of population change data presented in the chart at the bottom of this page. Population growth is composed of two factors — net migration and natural change, which is simply the balance between births and deaths over any time period. Sheboygan County lags significantly behind the state and nation in each of these measures, but the distribution pattern between the two components is roughly similar across each of the respective jurisdictions. This suggests that, while the county has long been touted as a destination of choice, that this has not necessarily generated real migration gains.

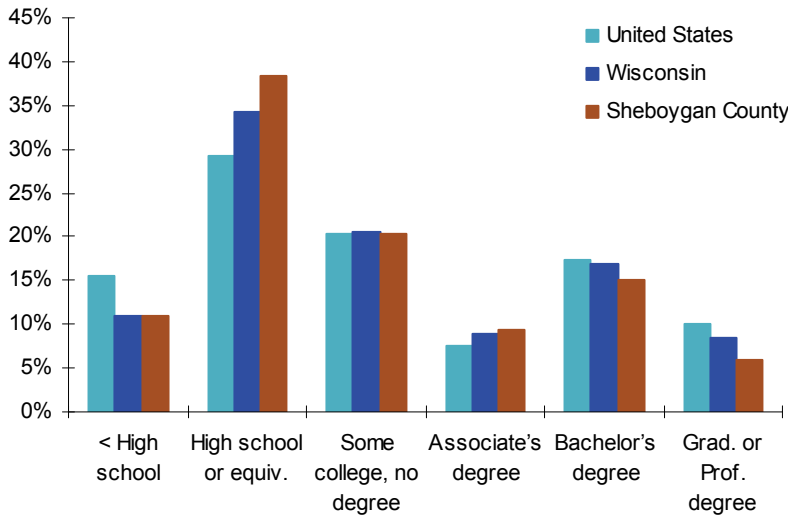
Components of Population Change



Source: WI DOA, Demographic Services, Population Est., 2011

Demographics

**Educational Attainment of Residents
25 or More Years Old**



Source: US Census Bureau, American Community Survey, Table B15002, 2005-2009

One characteristic of the population that is of particular interest to business leaders and policy makers in the state is the educational attainment of the workforce. Educational attainment is measured as the highest level of education completed and is generally reported for the population 25 and over in order to account for the completion of associate's and baccalaureate degree programs by so-called "traditional" students, or those students who pursue post-secondary education immediately following high school graduation. It is generally assumed that a region with a high degree of educational attainment is better able to capitalize on the opportunities present in a diversified economy.

In comparing the educational attainment distribution of Sheboygan County's population to that of the state and nation, a number of important differences and similarities emerge. Beginning at the lowest levels of attainment, we see that both the county and state have significantly lower shares of the population that have failed to receive a high school diploma (11 percent) than the national average (15.4 percent). Conversely, both the county and state have relatively higher shares of the population that mark high school graduation as their highest level of attainment (38.3 percent and 34.3 percent compared to 29.3 percent nationally). This disparity has been justified historically by a much higher concentration of manufacturing employment in the state, and the presence of a number of

production positions that required no advanced training beyond high school. As the region's economy continues to transition to one driven by more heavily analytical and technological processes, we would suspect that the share of this cohort to decrease significantly.

As we move into higher levels of attainment, the impact of the county's manufacturing focus becomes even more succinct. While the share of those that had completed some college education is roughly similar to that of the state and nation, the number of individuals with associate's degrees in Sheboygan County (9.4 percent) is higher than the state or national average. The share of those with bachelors, graduate, or professional degrees is significantly lower, suggesting that the bulk of positions in the county's occupational mix require some education beyond high school, the particularized skills required in these positions are better provided through technical rather than university education.

Another aspect of the county's population that is a good indicator of the extent of economic and social mobility present can be found in its commuting patterns. While a significant share of the county's population does travel to other counties, such as Fond du Lac and Manitowoc for work, a majority residents are employed locally.

Where do Sheboygan County residents work?

Sheboygan Co., WI
Milwaukee Co., WI
Ozaukee Co., WI
Manitowoc Co., WI
Waukesha Co., WI
Washington Co., WI

Where do Sheboygan County workers live?

Sheboygan Co., WI
Manitowoc Co., WI
Fond du Lac Co., WI
Milwaukee Co., WI
Ozaukee Co., WI
Washington Co., WI

Source: US Census Bureau, Local Employer-Household Dynamics

Commuting Patterns of Sheboygan County Residents

Work in Sheboygan County:	50,589	86.0%
Work in another Wisconsin County:	8,045	13.7%
Work outside Wisconsin:	217	0.4%

Total:	58,851	100.0%
--------	--------	--------

Source: US Census Bureau, American Community Survey, Table B08007, 2005-2009

Workforce

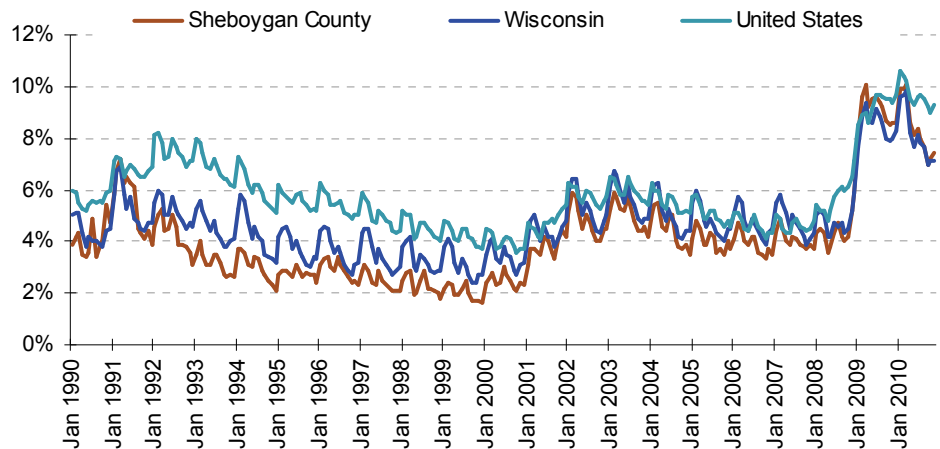
The chart at right tracks changes in the monthly unemployment rate of Sheboygan County from 1990 to present. From this data, we can draw a number of conclusions related both to the immediate state of the region's economic recovery, as well as the more long-term restructuring of the county's economy. It is important to keep in mind that the unemployment rate is a place of residence measure and is not necessarily reflective of changes in the county's employer base, which will be the focus of the narrative of the next few pages.

The first assumption that we can deduce from this data is that there

is a certain degree of seasonal periodicity in the county's employment dynamics. Unemployment in many of the state's counties tends to be significantly higher during the first several months of the year for a number of reasons, most notably inactivity among a number of weather-dependent industries, such as construction, tourism-related industries, and certain subsectors in the manufacturing base including food processing. As activity in these industries increases through the spring and summer, the unemployment rate gradually declines and remains relatively low through the remainder of the year as seasonal retail

Source: U.S. Bureau of Labor Statistics, CPS, LAUS, 2011

Unemployment Rates - Not Seasonally Adjusted



employment supplants activity in these other sectors.

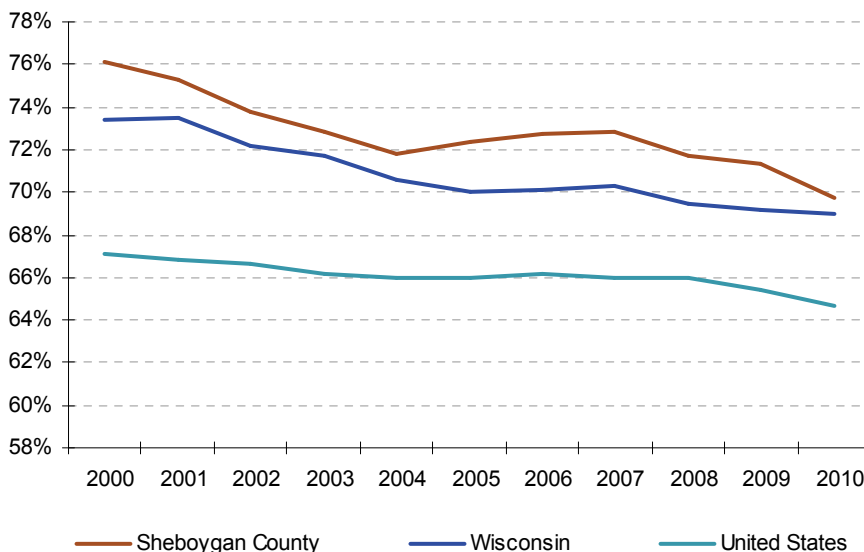
Similarly, we see that Sheboygan County's labor force has been significantly affected by changes in the national business cycle. The effects of the last three recessions — 1991-1992, 2001-2003, and 2007-2009 — are clearly reflected in the monthly unemployment rates depicted above. While Sheboygan County's unemployment rate was markedly lower than either the state or nation throughout the 1990's, its dynamics have mirrored that of the state over the course of the last decade. This is largely due to the county's industry composition, which was

heavily depended on manufacturing employment until recently. The county's growing economic diversity, which shall be discussed in the coming pages, is largely responsible for the rapid decline of the county's unemployment rate through the last year, as the county has mirrored the state's relative recovery.

A more robust measure of labor market health can be found in the labor force participation rate (LFPR), as depicted at left. The labor force participation rate is a measure of the percentage of non-institutional population age 16 and over that is either presently employed or is actively seeking employment.

Sheboygan County's LFPR has declined, for the most part, since 2000, notwithstanding a brief resurgence in 2005-2007. There is a succinct correlation

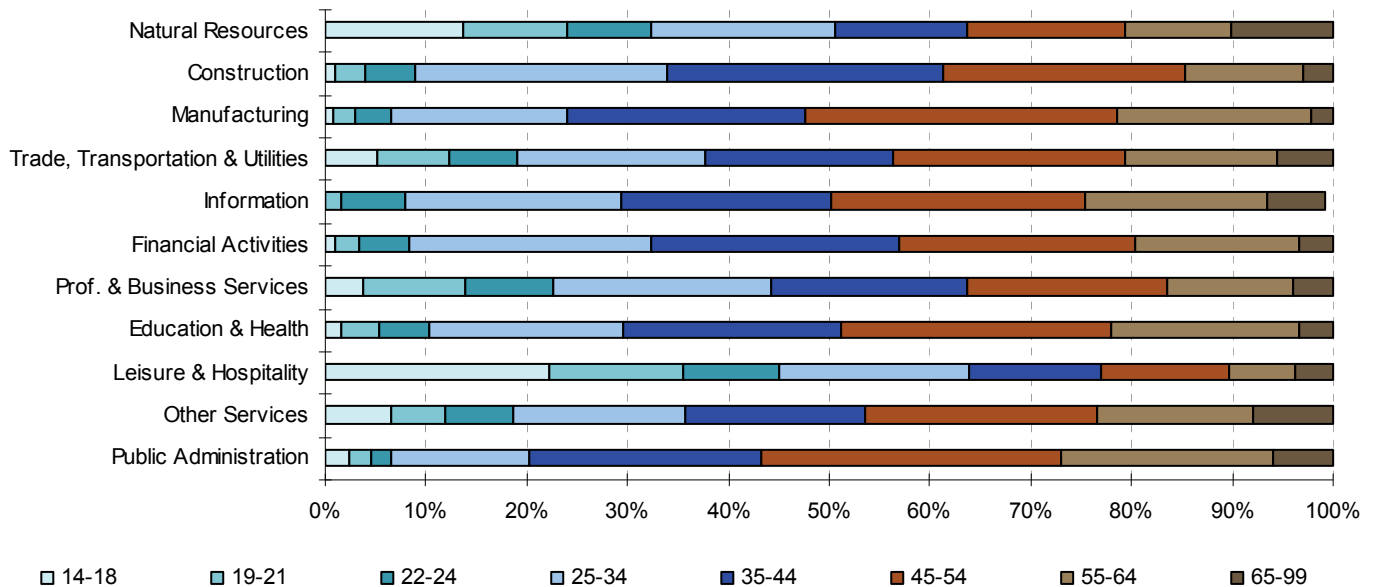
Labor Force Participation Rates



Source: WI DWD, OEA Special Tabulation

Workforce (cont.)

Sheboygan County's Age Distribution by Industry



Source: U.S. Dept. of Commerce, Census Bureau, Local Employment Dynamics, 2009 Annual

between periods of economic and labor force growth within the county, which runs somewhat contrary to national and state trends of sustained decline. Sheboygan County's 2010 labor force participation rate of 69.7 percent compares favorably to both the state and national rates of 69 and 64.7 percent, respectively. This pales in comparison to the participation rates observed at the beginning of the decade, when the county's LFPR was 76.2 percent. This coincides with a fundamental transition in the character of the region's manufacturing base, as a number of prominent firms either scaled back or ceased operations. At the same time, many of the area's large manufacturing firms responded to the two economic recessions of the decade by increasing productive efficiency by adopting new technologies and becoming less dependent on routine manual labor.

A second source of decline in Sheboygan County's labor force participation rate in the 2000's is the gradual aging of the county's workforce-eligible population. Sheboygan County's median age in 2010 was 40.3 years, a measure that is significantly older than the state or nation and equally greater than its 2000 median of 36.9 years. The average age of the county's employed population is slightly older at 41.5 years.

Turning our attention now to the age distribution of the county's major industry sectors, as depicted in the chart above, we see that several dominant industry sectors are

predominately staffed by mature workers. This is especially true in the Education and Health, Manufacturing, and Public Administration sectors. The age distribution of workers in any given industry sector is determined by the availability of entry-level positions within the sector, which are generally more attractive to younger workers, and the premium paid for long tenures in a particular firm or sector, which tends to result in a preponderance of older workers in those sectors with the highest wage premiums.

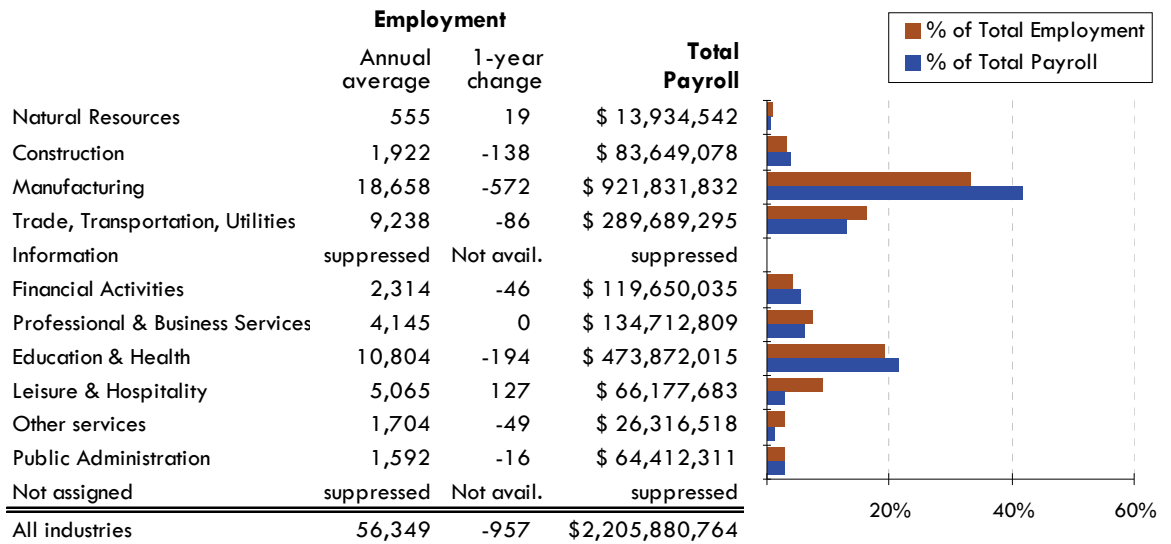
The tenure dividends provided among manufacturers and public sector employers in the form of such things as employer-provided health insurance and retirement pension benefits, coupled with wage schedules that are frequently tied to seniority account for the presence of a relatively higher than average percentage of mature workers (those aged 45 years and older). Conversely, those industry sectors that are especially physically demanding, such as construction, and those sectors that offer a high number of entry-level positions or experience high rates of turnover, such as leisure and hospitality are dominated by younger workers.

The inherent challenge presented by these disparities in the age distribution of Sheboygan County's industry sectors is in identifying ways in which younger workers who enter into the labor market in high turnover occupations can effectively translate those skills and tenure into more advanced positions in mature industry sectors.

Jobs & Wages

The chart at right depicts a decomposition of the Sheboygan County employer base by industry, employment, and payroll. This illustrates the relative importance of each industry sector to the vitality of the county's economy. Please note that data for all industry sectors may not be available due to confidentiality disclosure concerns.

2010 Employment and Wage Distribution by Industry in Sheboygan County



Source: WI DWD, Bureau of Workforce Training, Quarterly Census Employment and Wages, June 2011

The first, and most significant finding here is that the manufacturing sector remains the dominant industry sector in Sheboygan County, although that position has been eroding over the last several years. Manufacturing accounts for 33.1 percent of total employment in the county, and 41.8 percent of total payroll. These measures that are significantly higher than the state average (16.3 percent of total employment and 20.5 percent of total payroll.) Employment in the manufacturing sector decreased by 572 positions over the course of the year, contributing to a statewide decline of 5,400 positions statewide. As the manufacturing sector continues to recover, it will be interesting to see how the county's employers respond in the coming years, particularly as the sector's workforce ages more rapidly

than the population, as a whole.

The second observation that we can make in this data is the fact that the county's other two significant industry sectors — trade, transportation and utilities, and education and health services — shed fewer positions combined than that of the manufacturing sector. At the same time, however, it appears that employment in the county's healthcare sector has stabilized after a significant building boom that occurred in the middle part of the decade. We would anticipate that healthcare employment will continue to be a focus of future employment growth, principally in response to the changing needs of an aging population.

One final observation is that there are relatively few industry sectors that can be considered high wage, or high impact industries — their share of total payroll exceeds their respective share of total employment. Industry sectors that fall into this category include construction, education and health services, financial activities, and manufacturing. These sectors are generally considered more attractive to new talent as it suggests a higher relative level of earnings potential.

The table at left presents the average annual wages of Sheboygan County's industry sectors as compared to the state average. With the exception of the education and health services sector, each of the county's industry annual average wages is significantly lower than the state average. This is particularly true of the professional

Average Annual Wage by Industry Division in 2010

	Wisconsin Average Annual	Sheboygan County Average	Percent of Wisconsin	1-year % change
All industries	\$ 39,985	\$ 39,147	97.9%	2.6%
Natural Resources	\$ 30,613	\$ 25,107	82.0%	4.8%
Construction	\$ 49,135	\$ 43,522	88.6%	2.9%
Manufacturing	\$ 50,183	\$ 49,407	98.5%	4.5%
Trade, Transportation & Utilities	\$ 34,132	\$ 31,358	91.9%	3.3%
Information	\$ 51,764	suppressed	Not avail.	Not avail.
Financial Activities	\$ 53,332	\$ 51,707	97.0%	3.9%
Professional & Business Services	\$ 46,516	\$ 32,500	69.9%	1.0%
Education & Health	\$ 42,464	\$ 43,861	103.3%	1.6%
Leisure & Hospitality	\$ 14,597	\$ 13,066	89.5%	3.0%
Other Services	\$ 22,682	\$ 15,444	68.1%	2.0%
Public Administration	\$ 41,653	\$ 40,460	97.1%	-2.6%

Source: WI DWD, Workforce Training, QCEW, June 2011

Jobs & Wages (cont.)

Prominent Industries in Sheboygan County

Industry Sub-sectors (3-digit NAICS)	Average Employment			Average Wages			
	2010 Avg.	5-year Percent Change		2010 Average		5-year Percent Change	
	Sheboygan County	Sheboygan County	Wisconsin	Sheboygan County	Wisconsin	Sheboygan County	Wisconsin
Fabricated metal product manufacturing	7,084	-22.0%	-12.3%	\$ 52,936	\$ 46,362	11.1%	12.2%
Educational services	3,603	-3.4%	5.2%	\$ 39,466	\$ 42,666	17.3%	13.5%
Food services and drinking places	3,423	6.4%	-1.4%	\$ 10,493	\$ 11,693	19.2%	16.2%
Ambulatory health care services	2,824	-2.2%	6.8%	\$ 74,170	\$ 62,533	35.9%	15.4%
Food manufacturing	2,644	3.2%	-0.0%	\$ 56,793	\$ 41,456	17.2%	13.7%
Plastics and rubber products manufacturing	2,506	-31.5%	-15.4%	\$ 42,372	\$ 44,375	7.9%	17.7%
Nursing and residential care facilities	2,318	21.9%	10.0%	\$ 22,036	\$ 24,057	-4.4%	9.0%
Administrative and support services	2,313	-2.1%	-0.1%	\$ 15,603	\$ 24,224	3.7%	15.1%
General merchandise stores	1,619	8.5%	-2.0%	\$ 18,971	\$ 18,740	14.4%	12.7%
Merchant wholesalers, nondurable goods	1,318	36.7%	-4.6%	\$ 45,189	\$ 48,828	15.5%	9.7%

Note: * data suppressed for confidentiality and not available for calculations

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, 2011

and business services sector, which is dominated by temporary help and employment services positions. At the same time, a number of prominent industry sectors, including manufacturing and financial activities saw their wages grow over the last year.

The table above continues our exploration of industry employment and wages, but does so from a longer-term, five-year perspective. This allows us to explore the effect of the recent recession and the progress made in the ongoing recovery. The table also depicts what are considered to be the most prominent industry subsectors within the county.

The manufacturing sector is quite prominently represented in this table through the presence of the fabricated metal processing, food processing, and the plastic and rubber products subsectors. These subsectors are also represented in the list of the county's largest employers

presented below by such firms as Kohler Co., Bemis Manufacturing, Sargento Foods, Johnsonville Sausage, and J.L. French. Employment in two of these subsectors, fabricated metal products and plastic and rubber products manufacturing have seen their employment decrease at rates significantly higher than the state, as a whole. Conversely, food processing employment has increased slightly within the county.

Other industry subsectors included in each of these tables are educational services through the Sheboygan Area School District, ambulatory health care services, with Aurora Health Care being the county's largest provider, and general merchandise stores with the inclusion of Walmart. The employment profile of each of these subsectors varies, with most prominent subsectors suffering job losses over this period. Wage growth, particularly in the health care sector has been generally positive.

Prominent Employers in Sheboygan County

Establishment	Service or Product	Number of Employees (June 2010)
Kohler Co	Enameled iron & metal sanitary ware mfg.	1,000 or more employees
Sheboygan Area School District	Elementary & secondary schools	1,000 or more employees
Bemis Mfg Co	All other plastics product manufacturing	1,000 or more employees
Aurora Medical Group Inc	Offices of physicians, except mental health	500-999 employees
Sheboygan County	Nursing care facilities	500-999 employees
Walmart	Discount department stores	500-999 employees
Sargento Foods Inc	Cheese manufacturing	500-999 employees
Johnsonville Sausage LLC	Meat processed from carcasses	500-999 employees
Aurora Health Care Central Inc	General medical & surgical hospitals	500-999 employees
J L French LLC	Aluminum die-casting foundries	500-999 employees

Source: WI DWD, Bureau of Workforce Training, QCEW, OEA special request, Sept. 2011

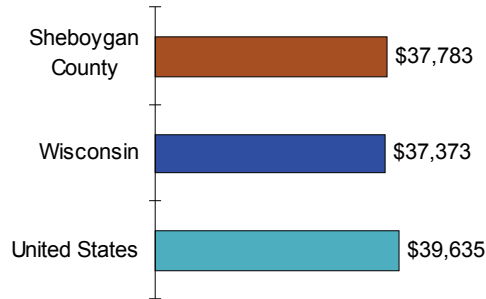
Income

Total personal income (TPI) is the sum of employment earnings, rental property income, personal dividend income, personal interest income, and personal current transfer (government) receipts such as social security, Medicare/Medicaid, public assistance, veterans benefits, unemployment insurance and other government payments. Sheboygan County's 2009 TPI of \$4.3 billion is roughly two percent of the state's TPI of \$211.3 billion. Measuring income growth in nominal terms, we see that the county's TPI increased by 38.4 percent in the ten years between 1999 and 2009, a growth rate that is significantly lower than the state or national growth rate of 43.3 percent and 53.9 percent, respectively. After adjusting for the effects of inflation over this period, we see that the county's personal income base grew by 7.5 percent, as compared to 11.3 percent statewide and 19.5 percent nationally. Much of the county's income growth over this period has come via wage growth while income growth elsewhere is relatively more diversified.

Per capita personal income (PCPI) is TPI divided by the total population. This average income figure is often used to gauge the economic viability of a region. Sheboygan County's PCPI of \$37,783 is slightly more than the state average of \$37,373, but significantly below the national average of \$39,635. The county's PCPI is the ninth highest in the state, but ranks significantly lower than the \$57,946 of Ozaukee County, which has the highest measure in the state. Sheboygan County has historically been among the ten wealthiest counties in the state on a per-capita basis.

When we consider PCPI growth over the same ten-year period, we see that Sheboygan County's PCPI increased by 35.4 percent in nominal terms. After controlling for the effects of inflation, we find that real PCPI growth was 5.1

2009 Per Capita Personal Income



Source: US Dept. of Commerce, Bureau of Economic Analysis, 2011

percent, a rate that is slightly better than the state (5.0 percent), but well below the national adjusted rate of 8.6 percent. The disparity between total personal and per capita personal income growth is accounted for by population growth.

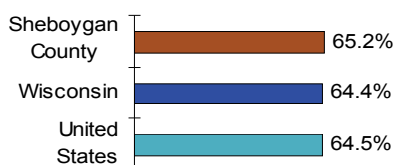
A few additional points regarding the significance of the county's income base can be illustrated in the three tables below. First, it is important

to note that personal income, much like the labor force statistics presented on page five is based on one's place of residence. As such, it is possible for the county's income characteristics to closely mimic the state's even though the relative wages paid by employers in the county are significantly lower, on average. Additionally, the labor force participation rate of a region greatly conditions the role that wage earnings play in the personal income base since a higher percentage of wage earners affects the share of earnings in income regardless of the averages wages earned. We see this pattern present in Sheboygan County as net earnings accounts for a higher share (65.2 percent) of personal income than the state or nation.

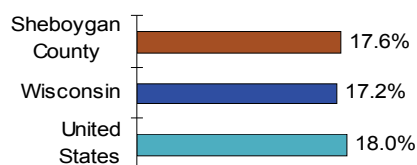
In the other two principal components of personal income — dividends, interest, and rent and transfer receipts — we see that the role of investment income is slightly more important in the county than in the state but less than nationally, and that the role of transfer payments, such as unemployment insurance and social security is significantly less important. We would anticipate each of these components to grow as an older population is substantially more reliant on retirement investment income and transfer payments than earnings generated by employment in the public or private sector.

Income Components - 2009

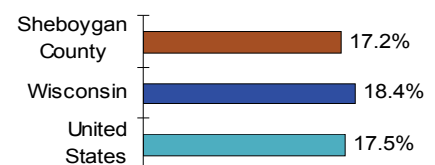
Net earnings by place of residence



Dividends, interest, and rent



Personal current transfer receipts



Source: US Dept. of Commerce, Bureau of Economic Analysis, 2011