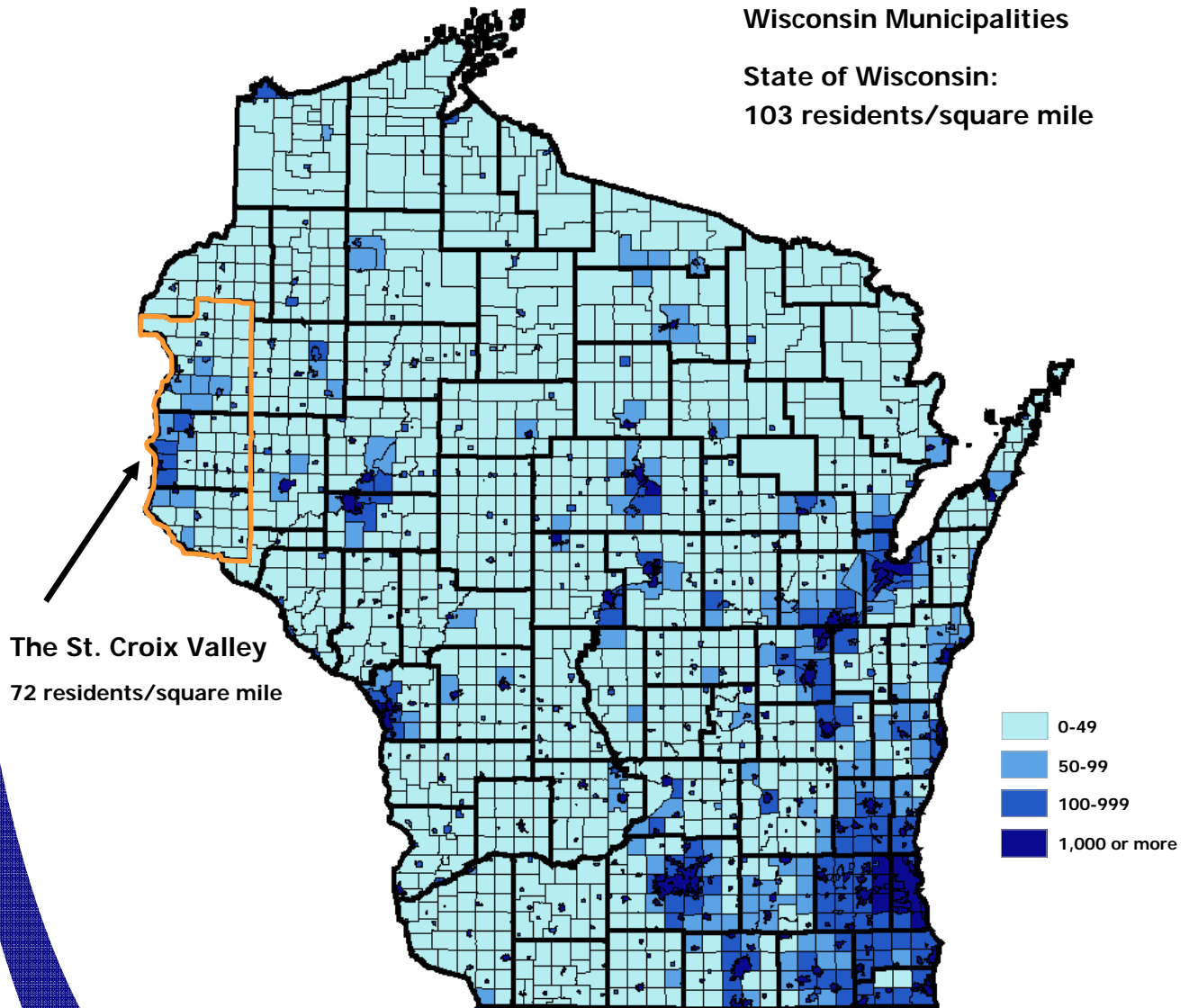


St. Croix Valley Workforce Profile

Population Density of
Wisconsin Municipalities

State of Wisconsin:
103 residents/square mile



State of Wisconsin
Department of Workforce Development
Office of Economic Advisors

July 2007

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Population

The St. Croix Valley, as defined here, consists of the three major counties along the path of the St. Croix River as it flows into the Mississippi. Pierce, Polk, and St. Croix Counties' economic fortunes are increasingly intertwined with that of their large neighbor to the west, the Twin Cities—sharing that interdependence, as well as the river that is the area's namesake.

The population in the St. Croix Valley increased thirteen per-

cent, added 14,416 residents.

The City of River Falls, home to the University of Wisconsin-River Falls, is the largest population center in the area. However, it is not the fastest growing municipality. Not surprisingly, the City of Hudson, located just across the I-94 bridge from the Twin Cities, is the fastest growing area in the region—the city's population grew by almost 30 percent from 2000 to

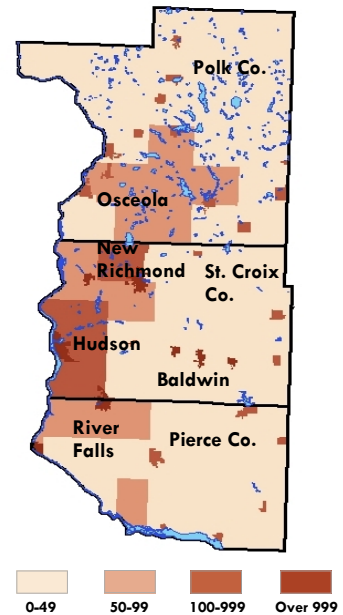
Ten most populous municipalities in the St. Croix Valley

	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
St. Croix Valley	141,278	159,628	18,350	13.0%	72
Pierce County	36,804	39,329	2,525	6.9%	68
Polk County	41,319	44,613	3,294	8.0%	49
St. Croix County	63,155	75,686	12,531	19.8%	105
River Falls, City	12,560	13,421	861	6.9%	2,697
Hudson, City	8,775	11,353	2,578	29.4%	2,102
Hudson, Town	6,213	7,481	1,268	20.4%	289
New Richmond, City	6,310	7,469	1,159	18.4%	1,464
Troy, Town	3,661	4,371	710	19.4%	116
Prescott, City	3,764	4,030	266	7.1%	1,992
North Hudson, Village	3,463	3,694	231	6.7%	2,819
St. Joseph, Town	3,436	3,685	249	7.2%	115
Star Prairie, Town	2,944	3,471	527	17.9%	110
Baldwin, Village	2,667	3,415	748	28.0%	1,487

[†] residents per square mile

St. Croix 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

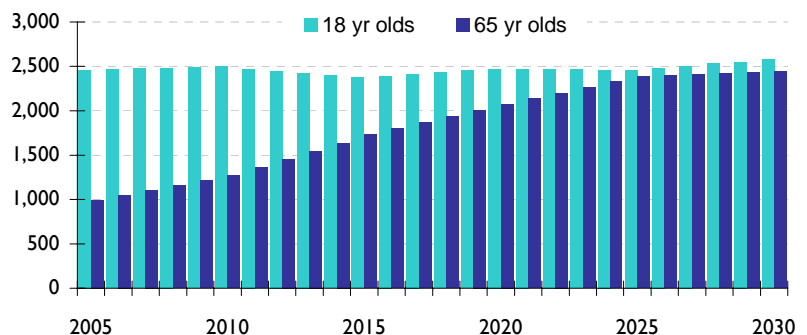
cent from 141,278 in 2000 to 159,628 in 2005, making it one of the fastest growing areas in the state. In fact, St. Croix County was the single fastest growing county in the State of Wisconsin in 2005! Polk and Pierce also had fast growth, ranked 6th and 12th respectively. It boils down to the old real estate adage "location, location, location", and the St. Croix Valley is located just across the Minnesota state border from the Twin Cities. Skyrocketing land prices near the Cities, and the appeal of living in a rural area while still having access to high paying urban jobs, has fueled growth in Wisconsin's nearby border counties. In fact, over one-third (37%) of the St. Croix Valley's workers commuted to jobs in Minnesota in 2000. In St. Croix and Pierce Counties, almost half of all workers commute to Minnesota!

Natural increase, or births minus deaths, added 3,934 residents from 2000-2005. Even though the St. Croix Valley has some of the highest rates of natural increase in the state (a fact which indicates a relatively young population starting families), net-migration still accounts for most of the area's growth. Net-migration, or people moving in minus those leav-

ing, added 14,416 residents.

Other border municipalities that haven't reached the level of development of Hudson are also growing rapidly, with the villages of Osceola and Baldwin growing about 28 percent, as people moving in push further out from the Cities in search of undeveloped land. In fact, the Village of Baldwin is located about 20 miles east of Hudson—but its location on I-94 makes for an easy commute. And commuting fuels the growth trend in

Juncture of 18 & 65 year old population in the St. Croix Valley



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

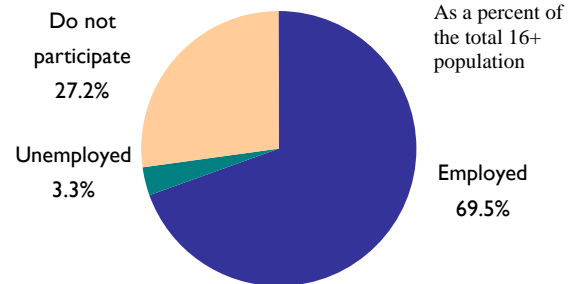
Labor Force

this area—the flow of migrant Minnesotans spreads east from the Twin Cities, as workers deal with ever longer commutes to achieve their desired lifestyle.

While the St. Croix Valley may have a more favorable situation than many Wisconsin regions with regards to its population increase, no area is immune from the toll that an aging population will take on the workforce. The graph on the previous page depicts 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 numbers are only projections, intended as an indicator of the trend we expect, but it shows the rising swell of the retirement-age population. While the graph isn't as dramatic in the St. Croix Val-

Labor force participation in the St. Croix Valley



Source: DWD, Office of Economic Advisors, July 2006

St. Croix Valley Civilian Labor Force Data

	2001	2002	2003	2004	2005
Labor Force	85,978	86,769	89,050	89,994	92,189
Employed	82,532	82,140	83,902	85,590	87,885
Unemployed	3,445	4,630	5,149	4,404	4,304
Unemployment Rate	4.0%	5.3%	5.8%	4.9%	4.7%

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

The St. Croix Valley's 2005 unemployment rate was lower than in the last few years, but still higher than 2001. The labor force grew by 6,211 participants, with most of those workers joining the ranks of the employed.

Though the unemployment rate in 2005 averaged 4.7 percent, rates throughout the year can fluctuate greatly. 2005 unemployment rates in the St. Croix Valley ranged from a February peak of 6.5 percent to a low of 3.3 percent in October. These un-

employment patterns follow the typical trend in the area, shown on the unemployment rates graph below as a dashed line.

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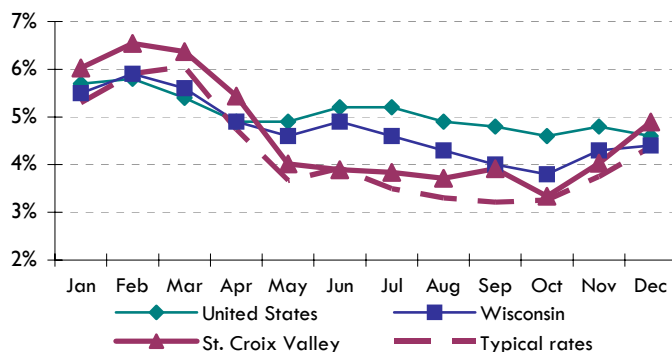
The seasonal swing in unemployment reflects the seasonal nature of many local jobs. Much of the gain throughout the spring is due to workers returning to seasonal jobs they departed from during the winter months, but employers also add new jobs throughout the year.

ley as it is in other regions, bear in mind that many of the 18 year olds shown will likely leave the area when they graduate, leaving fewer workers to replace the retirees exiting the workforce.

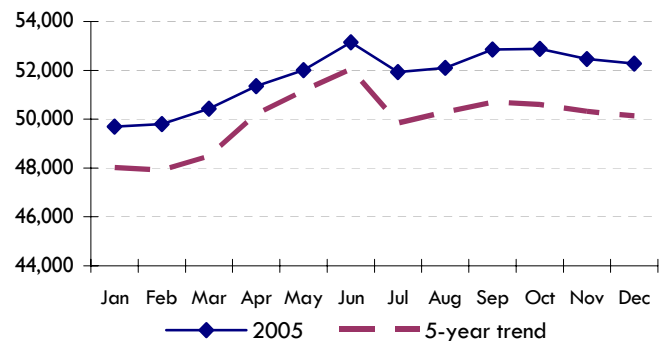
In the St. Croix Valley in 2005, about 73 percent of the population 16 years and over participated in the labor force (either working or looking for work). The area has some of the highest labor force participation rates in the state. Participation rates in the St. Croix Valley are high for a couple of reasons. The professionals moving in to the county already have jobs, and they also continue to work longer before retiring, as those in professional occupations often do. This tends to raise the percentage of the population in the labor force.

In 2005, the St. Croix Valley averaged almost 1,800 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 St. Croix Valley



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

Industries and Employers

Most of the previous sections in this profile have discussed the impact of people working in Minnesota, but settling across the border in the St. Croix Valley to enjoy a rural lifestyle. These new residents are included in measures like the labor force, and unemployment rate, because they are “place of residence” statistics, compiled by where these workers live. So even though they work in Minnesota, they are still included. But what about the industries in the St. Croix Valley? The next couple of industry employment sections, are “place of work” measures, which means that they include only those who work at employers in the St. Croix Valley, regardless of where they live.

Educational services (including both public and private institutions) is the largest industry sub-sector in the St. Croix Valley. Jobs at the University of Wisconsin-River Falls figure in to this, and it is the single largest employer in Pierce County, but the majority is employment at the various school districts in the area. This is fairly common in rural areas—which the St. Croix Valley still is, despite the influx of former urbanites from Minnesota. Employment in the education sector grew by 470 workers from 2000 to 2005, with recent growth of 161 workers over a one-year period from 2004. This kind of growth in the school systems is not surprising, as districts race to keep pace with the demands of a growing population with many school-age children. Eight of the top employers listed above are in the education sub-sector—the School District of Hudson is the single largest employer in St.

Prominent Public and Private Sector Employers in the St. Croix Valley

County	Establishment	Service or product	Employees
Polk	County of Polk	Nursing care facilities	500-999
St. Croix	County of St Croix	Executive & legislative offices, combined	500-999
Polk	Polaris Industries Mfg LLC	All other transportation equipment mfg.	500-999
St. Croix	School District of Hudson	Elementary & secondary schools	500-999
Pierce	School District of River Falls	Elementary & secondary schools	500-999
Pierce	University of Wisconsin- River Falls	Colleges & universities	500-999
St. Croix	Wal-Mart Associates Inc	Discount department stores	500-999
Polk	Amery Regional Medical Center	General medical & surgical hospitals	250-499
St. Croix	Baldwin-Woodville Area Schools	Elementary & secondary schools	250-499
St. Croix	Clopay Building Products Co Inc	Metal window & door manufacturing	250-499
Pierce	County of Pierce	Executive & legislative offices, combined	250-499
Pierce	Ellsworth Community School District	Elementary & secondary schools	250-499
St. Croix	Mc Millan Electric Co	Motor & generator manufacturing	250-499
Pierce	Mentor Management Inc	Residential mental retardation facilities	250-499
St. Croix	New Richmond Public Schools	Elementary & secondary schools	250-499
St. Croix	Nor Lake Inc	AC, refrigeration, & forced air heating	250-499
Polk	Osceola Public Schools	Elementary & secondary schools	250-499
St. Croix	Phillips Plastics Corp	All other plastics product manufacturing	250-499
Polk	School District of Amery	Elementary & secondary schools	250-499
Polk	St Croix Regional Medical Center	General medical & surgical hospitals	250-499
Polk	Wal-Mart Associates Inc	Discount department stores	250-499
St. Croix	YMCA of Greater Saint Paul	Civic & social organizations	250-499

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

Croix County.

The healthcare industry is a major employer in the St. Croix Valley, as it is in most areas. The growth of employment in this sector is a national trend, as the aging population increases demand for health services. Four of the largest employers in the region are in the healthcare sub-sector. But healthcare isn't the only service a growing area prompts growth in.

The rapidly expanding population has generated demand for

(Continued on page 4)

Prominent industries in the St. Croix Valley

Industry Sub-sectors (3-digit NAICS)	Average employment	Change in average employment		Weighted annual avg. wage in 2005	Percent change in wages		Establishment 2005
	2005	1-year	5-year		1-year	5-year	
Educational Services	5,259	161	470	\$ 33,516	0.8%	7.3%	87
Food Services & Drinking Places	4,675	92	419	\$ 9,387	3.3%	18.5%	342
Nursing & Residential Care Facilities	2,225	58	335	\$ 20,109	2.3%	16.8%	33
Fabricated Metal Product Manufacturing	1,949	176	149	\$ 36,510	1.2%	16.1%	79
Specialty Trade Contractors	1,924	35	460	\$ 37,851	2.9%	22.0%	420
Executive, Legislative, & Gen Government	1,885	28	103	\$ 29,660	2.8%	23.6%	107
Hospitals	1,780	83	343	\$ 35,760	3.8%	37.2%	7
Machinery Manufacturing	1,639	-67	-507	\$ 45,468	1.4%	20.9%	41
Ambulatory Health Care Services	1,618	34	83	\$ 36,832	4.0%	26.2%	181
Food & Beverage Stores	1,615	-96	32	\$ 14,535	1.9%	12.5%	60

Note: Greyed data indicates estimates - some values have been imputed.

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

Industries and Employers, continued

more goods and services available locally—several of the sub-sectors from the prominent industries table on the previous page service this demand. Food services & drinking places, the second largest sub-sector in the area, has grown by 419 jobs since 2000, though wages in this sub-sector are low, as they are in most areas. However, employment has also grown in higher paying service industries like specialty trade contractors. This sub-sector has added 460 jobs since 2000, fueled by the high demand for new housing in the St. Croix Valley.

Manufacturing is also important in the St. Croix Valley—it is the second largest industry of employment in the area. Though the industry as a whole has gained jobs over-the-year, there is a great deal of variability in employment trends in the diverse manufacturing sub-sectors. The two largest sub-sectors are machinery manufacturing, which has lost 507 jobs since 2000, and fabricated metal manufacturing, which gained 149 jobs in the same period. Five of the area's top employers are manufacturers, a list which includes Polaris—a well known maker of snowmobiles, as well as Polk County's single largest employer.

So why does one prominent industry, like specialty trade con-

tractors, have such a high average wage, while another, like food services & drinking places, 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 St. Croix Valley industries table from the previous page. Many of the common occupations in the specialty trade contractors field are high-skilled, well-compensated specialties, like electricians. So a field with more highly paid occupations will have a higher average wage. In lower paying industries, like food services & drinking places, the most common occupations are relatively low-skill positions like bartenders or wait-staff, 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. 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 St. Croix Valley

<p>Educational Services</p> <ul style="list-style-type: none"> 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 	<p>Executive, Legislative, & Gen Government</p> <ul style="list-style-type: none"> Highway Maintenance Workers Legislators/Elected Officials Secretaries, Not legal, medical, & executive Office Clerks, General Janitors & Cleaners, Not Maids & Housekeeping Cleaners
<p>Food Services & Drinking Places</p> <ul style="list-style-type: none"> Combined Food Prep. & Servers, Includ. Fast Food Waiters & Waitresses Bartenders 1st-line Sprvs/Mngrs-Food Prep. & Servers Cooks, Restaurant 	<p>Hospitals</p> <ul style="list-style-type: none"> Registered Nurses Nursing Aides, Orderlies, & Attendants Healthcare Support Workers, All Other Licensed Practical & Licensed Voc. Nurses Secretaries, Not Legal, Medical, & Executive
<p>Nursing & Residential Care Facilities</p> <ul style="list-style-type: none"> Nursing Aides, Orderlies, & Attendants Home Health Aides Personal & Home Care Aides Registered Nurses Licensed Practical & Licensed Voc. Nurses 	<p>Machinery Manufacturing</p> <ul style="list-style-type: none"> Team Assemblers Machinists Welders, Cutters, Solderers, & Brazers 1st-line Sprvs/Mngrs-Production & Operating Workers Computer-Controlled Machine Tool Operators, Mtl/Plst
<p>Fabricated Metal Product Manufacturing</p> <ul style="list-style-type: none"> Team Assemblers Machinists Cutting, Punching, Press Mach. Setters/Ops/Tenders, Mtl/Plst Welders, Cutters, Solderers, & Brazers 1st-line Sprvs/Mngrs-Production & Operating Workers 	<p>Ambulatory Health Care Services</p> <ul style="list-style-type: none"> Registered Nurses Receptionists & Information Clerks Dental Assistants Dental Hygienists Medical Assistants
<p>Specialty Trade Contractors</p> <ul style="list-style-type: none"> Electricians Carpenters Plumbers, Pipefitters, & Steamfitters Construction Laborers Heating, AC, & Refrigeration Mechanics & Installers 	<p>Food & Beverage Stores</p> <ul style="list-style-type: none"> Cashiers Stock Clerks & Order Fillers Packers & Packagers, Hand Combined Food Prep. & Servers, Includ. Fast Food Food Prep. Workers

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

Jobs and Wages

The average annual wage in the St. Croix Valley in 2005 was \$29,238, which was about 82 percent of the average wage in Wisconsin of \$35,503. The St. Croix Valley's largest industry by employment is education & health; the average wage in this industry, \$30,924, is only about 83 percent of the state wage. Education pays lower average wages throughout the region compared to statewide averages, but this is mostly due to the effects of universities on the state average—which is also why Pierce County, where the University of Wisconsin-River Falls is located, comes closest to the statewide average. Healthcare in the St. Croix Valley pays significantly lower than the statewide average, though there is a greater concentration of the lower-paying nursing and residential care facilities. And clinics in smaller rural areas tend to have lower concentrations of highly paid specialists, a factor that normally lowers average healthcare wages in these regions, as well.

The next largest sector, and by far the largest by total payroll, manufacturing, pays only about 86 percent of the statewide average. While average wages in some sub-sectors, in some of the St. Croix Valley counties come close to statewide averages, wages in the largest sub-sectors are significantly lower. This is most likely due to a different occupational mix than statewide; for example, these factories may have fewer highly paid engineers than the statewide average.

Average Annual Wage by Industry Division in 2005

	Average Annual Wage Wisconsin	Average Annual Wage St. Croix Valley	Percent of Wisconsin	1-year % change
All industries	\$ 35,503	\$ 29,328	82.6%	1.3%
Natural resources	\$ 27,765	\$ 25,473	91.7%	4.3%
Construction	\$ 42,891	\$ 38,374	89.5%	0.9%
Manufacturing	\$ 44,430	\$ 38,004	85.5%	1.1%
Trade, transportation & utilities	\$ 31,088	\$ 26,017	83.7%	2.2%
Information	\$ 43,439	suppressed	Not avail.	Not avail.
Financial activities	\$ 46,267	\$ 33,803	73.1%	1.9%
Professional & Business Services	\$ 40,462	\$ 35,825	88.5%	-2.6%
Education & Health	\$ 37,228	\$ 30,924	83.1%	2.4%
Leisure & Hospitality	\$ 12,468	\$ 10,321	82.8%	3.8%
Other services	\$ 20,604	\$ 18,535	90.0%	Not avail.
Public Administration	\$ 37,244	\$ 29,403	78.9%	2.8%

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

The St. Croix Valley gained 895 net jobs in 2005, with most sectors gaining jobs. Average wages grew by 1.3 percent, slower than the state's growth rate of 2.2 percent.

The biggest over-the-year gain, at least in sectors we have available data for, was in the education & health sector, up 349 jobs. Both the education and health sub-sectors added jobs in all three St. Croix Valley counties. Growth in health services has been a national trend, reflecting increased demand from an aging population, and the education sector has had to add jobs to keep pace with the area's rapidly growing population.

The manufacturing and trade, transportation & utilities sectors also made significant gains over the year, gaining 237, and 203 jobs respectively.

2005 employment and wage distribution by industry in the St. Croix Valley

	Employment		Total payroll	Distribution	
	Annual average	1-year change		% of Total Employment	% of Total Payroll
Natural Resources	671	34	\$ 17,092,526	~1%	~1%
Construction	3,067	28	\$ 117,692,038	~8%	~10%
Manufacturing	10,577	237	\$ 401,972,129	~27%	~28%
Trade, Transportation, Utilities	10,088	203	\$ 262,461,039	~26%	~18%
Information	suppressed	suppressed	suppressed	0%	0%
Financial Activities	2,067	23	\$ 69,870,098	~5%	~5%
Professional & Business Services	3,184	-26	\$ 114,068,769	~8%	~8%
Education & Health	11,493	349	\$ 355,405,391	~30%	~30%
Leisure & Hospitality	6,128	167	\$ 63,248,087	~17%	~5%
Other services	1,215	suppressed	\$ 22,519,662	~3%	~1%
Public Administration	2,515	41	\$ 73,948,191	~7%	~5%
Not assigned	suppressed	suppressed	\$ 0	0%	0%
All industries	51,745	895	\$1,517,547,277		

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

Per Capita Personal Income

Total personal income (TPI) in the St. Croix Valley increased 7.8 percent in 2004, faster than both state and national rates. TPI also exceeded state and national growth over the five-year span, with income growth of 31.1 percent in the 1999-2004 period. All three St. Croix Valley counties were ranked in the top 15 of Wisconsin's 72 counties, with St. Croix County's TPI growing faster than any other county in Wisconsin!

Total personal income divided by the total population produces per capita personal income (PCPI). The St. Croix Valley's

In the St. Croix Valley, 75 percent of TPI is from net earnings. This comprises the greatest source of income in the area, and it is higher than both 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. A high proportion of income from wages tends to indicate a relatively younger population. In this case, it also reflects the higher wages made by residents working in Minnesota. The

adjustment for residency in 2004 made up 43.5 percent of net earnings. So nearly half of St. Croix Valley residents' income is being earned outside of the county!

The second major element of TPI is property income. Property income is roughly 13 percent of TPI in the St. Croix Valley, a smaller share than the state and nation. This measure includes pensions, and tends to be lower in areas with younger populations.

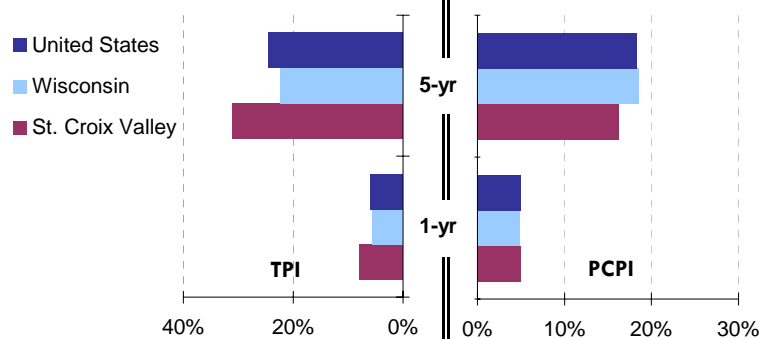
The third component of TPI is income from transfer receipts. Transfer receipts refer to benefits like social security, unemployment insurance, disability payments, and welfare. About 12 percent of TPI in the St. Croix Valley is from transfer receipts, low compared with 14 percent in Wisconsin and 15 percent in the United States. Transfer receipts in the area were highest in Polk County, at 17 percent, which indicates an older population on average, with a higher proportion of retirees.

Per capita personal income grew at five percent in 2004, fairly average compared with the state and

nationwide rates. But PCPI growth lagged the nation and state in the five-year period. So why is TPI growing so much faster than PCPI in the St. Croix Valley? Growth of non-working population can slow PCPI growth, and much of the area, especially St. Croix County, has a younger population, with a higher percentage of family-age residents. Their children are included in the PCPI calculations, the most likely factor slowing PCPI growth.

Personal Income in the St. Croix Valley

	Total Personal Income (TPI) (in thousands)			Per Capita Personal Income (PCPI)		
	2004	2003	1999	2004	2003	1999
St. Croix Valley	\$4,701,450	\$4,359,406	\$3,586,696	\$30,025	\$28,586	\$25,818
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
St. Croix Valley		7.8%	31.1%		5.0%	16.3%
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

per capita personal income of \$30,025 is below state and national PCPI, but is significantly higher than the median for other non-metropolitan areas of the state, \$27,291.

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

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