

Year 2011 State of Wisconsin/Regional Economic Analysis



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Part I. Statewide Analysis

Labor Force

Wisconsin's annual average labor force was measured at 3.1 million participants in 2010. Approximately 2.8 million participants were employed and 255,000 were unemployed. The state's annual average unemployment rate was 8.3%, down four-tenths of a percentage point annually. For comparison, the nation's annual average unemployment rate was 9.6% in 2010 rising three-tenths higher annually.

Wisconsin's labor force decreased by 1.2% in 2010 as its number of employed decreased 0.8% coupled with a 5.8% decrease in the unemployed. Nationally, labor force growth was slightly negative (-0.2%) from 2009 to 2010. The nation's number of employed fell by 0.6%, while its number of unemployed rose 3.9 percent.

The number of unemployment insurance claims in 2010 decreased compared to 2009. There were 22% fewer state continued unemployment insurance claims filed in 2010, though it should be noted that when including the filings for federal extensions for unemployment insurance, the decrease was only a minimal 0.2%. Initial unemployment insurance claims were filed at a 23% lower rate in 2010 indicating that fewer in the near-term would be applying for either state or federal unemployment insurance benefits.

Wisconsin's labor force participation rate (LFPR) in 2010 was 69.4%, remaining considerably higher than the nation's 64.7% rate. The state's LFPR did decline slightly in 2010 by eight-tenths of a percentage point following closely to the decrease in employed residents.

Jobs and Wages

Wisconsin's unemployment insurance covered job base averaged 2,630,200 total jobs per month in 2010, a net decrease of 0.4% annually (-11,400 jobs). The sector posting the largest job gain was professional and business services with 12,300 more jobs than in 2009. Its growth dwarfed the second largest sector gain, educational and health services employment (+5,100 jobs). The construction sector suffered the greatest proportional job loss, -6.8% (-7,100 jobs). Trade, transportation and utilities suffered the greatest numeric job loss with 11,200 fewer jobs than in 2009 (-2.1%). National data for 2010 was not available for comparison.

Aggregate covered wages paid to workers totaled \$105.2 billion in 2010, an increase of 1.7% (+\$1.7 billion; not adjusted for inflation). All but two industry sectors in Wisconsin posted aggregate, nominal wage growth with construction (-6.4%) and financial activities (-0.1%) being the only sectors to not post growth. Professional and business services bested all state sectors at 5.0% growth. The state's largest wage-paying sector, education and health services, at \$25.3 billion in 2010, grew 2.0%. National data for 2010 was not available for comparison.

Aggregate manufacturing sector wages, \$21.6 billion in 2010, increased 3.7% annually despite its 1.3% net job loss. The average manufacturing wage in this sector was \$50,183 in 2010. Manufacturing's average is considerably higher than the statewide overall average of \$39,985, which is why gauging the employment performance of this sector is of great importance in Wisconsin. Manufacturing comprised 16.3% of the state's job base, yet the sector makes up a disproportionately higher 20.5% of aggregate wages paid in the state. It is the state's second largest sector in terms of total wages despite being the third largest in number of jobs.

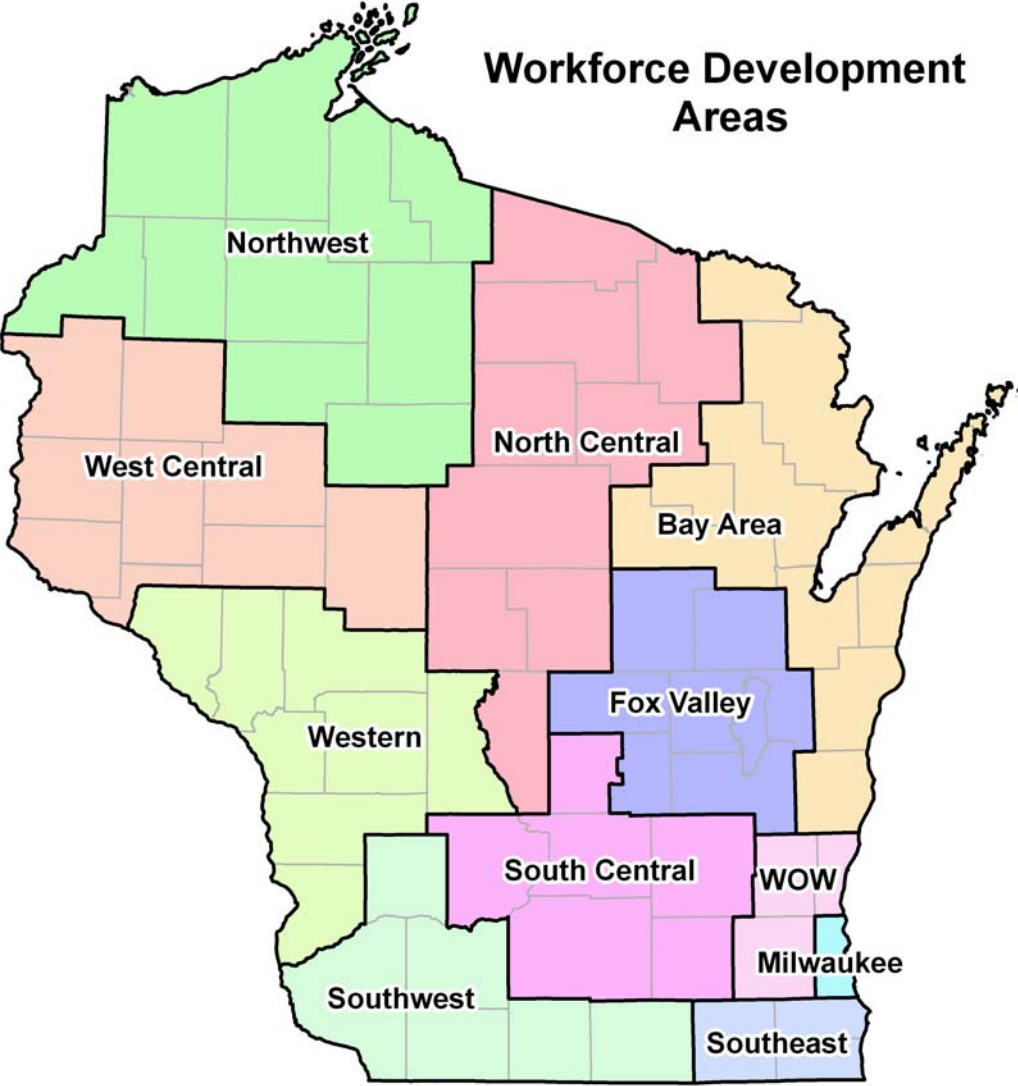
Personal Income

Total personal income (TPI; employment earnings, dividends, interest and rental income; and government/retirement transfer receipts) totaled \$211.3 billion in 2009. The annual change in TPI was a 0.9% decrease (not adjusted for inflation). Employment earnings comprised approximately 64.4% of all

2009 TPI and decreased more rapidly (-4.7%) in 2009 compared to the state's TPI. Dividends, interest and rental income decreased 5.8% and government/retirement transfer receipts grew 21.7% as unemployment insurance payments picked up the slack in place of lost employment earnings, thus mitigating overall TPI loss.

Per capita personal income (PCPI; TPI divided by total population) in Wisconsin in 2009 stood at \$37,373 ranking thirtieth highest nationally; the same rank as in 2008. It equaled 94.3% of the national average PCPI in 2009. Annual PCPI growth in Wisconsin stood at -1.4% (not adjusted for inflation) ranking sixteenth fastest growth nationally. The nation's PCPI growth rate, -2.6%, was a more severe loss than Wisconsin's.

Part II - Regional Economic Brief of Wisconsin's Workforce Development Areas (WDA)



Southeastern WDA

The Southeastern Workforce Development Area consists of three counties in the southeastern most part of the state. The region includes Kenosha County, Racine County, and Walworth County. The City of Kenosha

and the City of Racine provide ample opportunities for job development within the region, while Milwaukee and Chicago provide employment opportunities outside of the region.

Labor Force

Roughly 214,189 Southeastern WDA residents out of 237,996 labor force participants were employed in 2010. This employment measure includes the self-employed and those working in a family business. The number of unemployed residents in the region stood at about 23,807, and the associated unemployment rate in 2010 was 10.0 percent. The 2010 unemployment rate was 0.2 percent lower than the unemployment rate in 2009, but higher than the 2010 statewide rate of 8.3 percent. Kenosha County's unemployment rate of 10.8 percent was the highest in the region, while Walworth County's rate of 8.8 percent was the lowest. Racine County's 2010 unemployment rate stood at the regional average of 10.0 percent. The unemployment rate in Walworth County and Racine County decreased by 0.5 percent and 0.4 percent respectively between 2009 and 2010. The unemployment rate Kenosha County increased by 0.2 percent. For the region, the number of unemployed residents decreased by about 1,000, a decrease of 3.7 percent. However, the number of employed residents dropped by about 3,000, and the number of residents in the labor force dropped by about 4,000. This indicates that the modest improvement in the unemployment rate between 2009 and 2010 was primarily caused by changes in the size of the labor force.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). The LFPR was 67.5 percent, down 0.9 percent from 2009. The state wide LFPR decreased from 69.4 percent in 2009 to 69.0 percent in 2010.

Jobs and Wages

The Southeastern WDA made up about 6.1 percent of the state's job base in 2010. Covered employment in the region averaged 161,324 jobs per month, an increase of 0.8 percent from 2009. It may seem strange that there are significantly fewer jobs in the region than there are employed residents in the region's labor force. However, it makes sense when looking at the geographic context of the region. The Southeastern WDA's proximity to both the Milwaukee and Chicago metro areas makes commuting out of the region a viable option for many of the residents.

Covered employment increased in half of the region's industrial sectors between 2009 and 2010. Professional and business services was the biggest job gainer with an increase of 1,230 jobs, a 9.3 percent change from 2009. Education and health services was second with a net gain of 984 jobs. The industry should continue to grow as aging baby boomers are beginning to demand more health care services. There was also substantial growth in the information sector, which increased from 270 jobs in 2009 to 994 jobs in 2010. The construction industry was the biggest loser in terms of net jobs with a loss of 428 jobs, a 7.9 percent decline. This job loss is related to the continued struggles of the housing market.

Total covered payroll in the Southeastern WDA increased by about \$1.5 million, a nominal increase of 2.5 percent from 2009. This increase outpaced the statewide increase of 1.7 percent. Total wages increased in all but three industries, and the education and health Services industry experienced the biggest net gain. Covered payroll in the industry increased by \$5.5 million between 2009 and 2010, an increase of 3.7 percent.

Personal Income

The Southeastern WDA's total personal income (TPI) was about \$16.2 million in 2009. The regional decline of 2.0 percent from 2008 was greater than the overall statewide decline of 0.9 percent. Total personal income includes income from three main sources: net earnings; dividends, interest and rent; and

transfer receipts. Net earnings make up the vast majority of income in the region as it does elsewhere, with the remaining percentage is divided between the other two components. In the Southeastern WDA, 65.0 percent of TPI was from net earnings in 2009, which was slightly higher than the statewide share of 64.3 percent. About 16.1 percent of TPI came from dividends, interest, and rent, which was slightly lower than the statewide rate of 17.2 percent. Transfer receipts made up the remaining 18.8 percent of TPI, compared to 18.4 percent statewide. Transfer receipt income comes from benefits like Social Security, unemployment insurance, Medicaid, Medicare, and welfare. The distribution of TPI indicates that the region's average age and welfare status is similar to that of the state.

Regional per capita income of \$34,633 was lower than the state per capita income of \$37,373. Regional income declined by 2.3 percent compared to a decline of 1.6 percent for the state. Lower than average per capita income in the region can be partially attributed to higher than average unemployment rates.

WOW WDA

The WOW Workforce Development Area consists of three counties in the southeastern part of the state. The region includes Waukesha County, Ozaukee County, and Washington County. The WOW WDA is undoubtedly linked to the Milwaukee WDA. Much of the past growth and development in the region is a direct result of urban sprawl from the City of Milwaukee. The region relies on Milwaukee as a cultural and employment center, and Milwaukee relies on WOW residents to work and engage in recreation in the city.

Labor Force

Roughly 306,057 residents out of 330,764 labor force participants were employed in 2010. This employment measure includes the self-employed and those working in a family business. The number of unemployed residents in the region stood at about 24,707, and the associated unemployment rate in 2010 was 7.5 percent. The unemployment rate declined by 0.3 percent from 2009, and it was lower than the 2010 statewide rate of 8.3 percent. Washington County's unemployment rate of 8.0 percent was the highest in the region, while Ozaukee County's rate of 6.8 percent was the lowest. Waukesha County's 2010 unemployment rate stood at 7.4 percent. The unemployment rate in all three counties decreased between 2009 and 2010. For the region, the number of unemployed residents decreased by about 2,000, a decline of 7.3 percent. However, the number of employed residents dropped by about 2,758 and the number of residents in the labor force dropped by about 4,693. This indicates that the modest improvement in the unemployment rate between 2009 and 2010 was primarily caused by changes in the size of the labor force.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). The LFPR for the region was 70.0 percent, down 0.8 percent from 2009. The statewide LFPR decreased from 69.4 percent in 2009 to 69.0 percent in 2010. Wisconsin has one of the highest LFPRs in the nation, so WOW WDA's rate is very high. However, rates will continue to decline as the baby-boom population is beginning to reach retirement age.

Jobs and Wages

In the calendar year 2010, the WOW WDA made up about 11.6 percent of the state job base. Covered employment in the region averaged 304,638 jobs per month in 2010, a decrease of 0.7 percent from 2009. The percent decrease in jobs was slightly greater than statewide decline of 0.4 percent. Covered employment increased in three of the region's industrial sectors between 2009 and 2010. Professional and business services was the biggest job gainer with an increase of 2,132 jobs, a 6.1 percent change from 2009. Education and health services gained 1,348 jobs, the second largest total in the region. Growth should continue in the industry as aging baby boomers will increase demand for health care services. Construction was the biggest loser in terms of percent job loss with a decline of 8.4 percent. The trade,

transportation, and utilities industry and the financial activities industry also experienced notable job losses. The industries lost 3.9 percent and 3.5 percent of jobs respectively.

Total covered payroll in the WOW WDA increased by about \$2.9 million, a nominal increase of 2.2 percent from 2009. This increase outpaced the statewide average of 1.7 percent. Total covered payroll increased in over half of all industries. Covered payroll increased by 10.1 percent in the professional and business services industry between 2009 and 2010. This was the biggest percent increase in the region. Payroll decreased by 6.2 percent in the construction industry, which was the biggest decline in the region.

Personal Income

The WOW WDA's total personal income (TPI) was about \$30.4 million in 2009. The regional decline in TPI of 2.8 percent from 2008 was larger than the overall decline of 0.9 percent for the state. Total personal income includes income from three main sources: net earnings; dividends, interest and rent; and transfer receipts. Net earnings make up the vast majority of income in the region as it does elsewhere, with the remaining percentage divided between the other two components. In the WOW WDA, 67.7 percent of TPI was from net earnings, which was higher than the statewide share of 64.3 percent. About 20.5 percent came from dividends, interest, and rent, which was higher than the statewide share of 17.2 percent. Transfer receipts made up the remaining 11.8 percent of TPI, a substantially lower share than the statewide rate of 18.4 percent. Transfer receipt income comes from benefits like Social Security, unemployment insurance, Medicaid, Medicare, and welfare. When compared to the state, the relatively high share of net earnings and relatively low share of transfer receipts indicate that the population is either younger or collects less welfare payments than the rest of the state. Both effects might be in play, but the latter is probably the more prevalent of the two effects as evident by the region's above average per capita personal income.

Regional per capita income of \$50,640 was higher than the state per capita income of \$37,373. Regional per capita income declined by 3.4 percent compared to a decline of 1.6 percent for the state. Higher than average per capita personal income can be expected because the region is largely made up of suburbs of the city of Milwaukee. Higher income earners tend to live in suburban areas.

Milwaukee WDA

The Milwaukee Workforce Development Area consists of Milwaukee County, which is located in the southeastern part of the state. The Milwaukee WDA holds the distinction of being Wisconsin's only single county WDA. However, it is undoubtedly linked to its surrounding regions, and it would be naïve to ignore the regional interdependence. The relatively small geographic size of Milwaukee provides the opportunity for employers to draw from a potential workforce that includes surrounding regions, and Milwaukee WDA residents are able look outside the region for desirable career prospects.

Labor Force

Roughly 418,977 Milwaukee residents out of 463,595 labor force participants were employed in 2010. This employment measure includes the self-employed and those working in a family business. The number of unemployed residents in the region stood at about 44,618, and the associated unemployment rate in 2010 was 9.6 percent. The unemployment rate did not change from 2009 and was higher than the 2010 statewide rate of 8.3 percent. Milwaukee was the only WDA in the state that did not experience a decline in the unemployment rate between 2009 and 2010. The number of unemployed residents, employed residents, and labor force all decreased by less than one percent. The labor picture for Milwaukee county residents in 2010 was virtually the same as 2009.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work).

The LFPR was 65.0 percent, down 0.6 percent from 2009. The state wide LFPR decreased from 69.4 percent in 2009 to 69.0 percent in 2010. The difference between Milwaukee's LFPR and the states indicates that there is room for improvement in the WDA. However, Wisconsin has one of the highest LFPRs in the nation so Milwaukee's rate is not alarmingly low.

Jobs and Wages

The Milwaukee WDA accounted for about 17.7 percent of the state's job base in 2010. Covered employment in Milwaukee averaged 465,103 jobs per month, a decrease of 1.3 percent from 2009. In comparison, average Jobs decreased by 0.4 percent in the state as a whole. Covered employment increased in two of the region's industrial sectors between 2009 and 2010. Employment in the other services industry increased by 4.7 percent, and employment in the professional and business services industry increased by 1.2 percent. The construction industry was the region's biggest loser in terms of percent job loss. It is safe to say that the continued struggles of the real estate market contributed to job losses in the construction industry. Average monthly employment declined by 14.1 percent in the industry.

Total covered payroll in the Milwaukee WDA decreased by about \$15.3 million, a nominal decrease of 0.1 percent from 2009. Covered wages increased by 1.7 percent for the state as a whole. Total covered payroll increased in a little over half of the all industry sectors. Covered payroll increased by 5.2 percent in the manufacturing industry between 2009 and 2010, which was the biggest percent increase in the region. Payroll decreased by 19.3 percent in the construction industry, which was the biggest decline in the region.

Personal Income

The Milwaukee WDA's total personal income (TPI) was about \$35.6 million in 2009. The regional increase in TPI of 0.5 percent from 2008 deviated from the trend of personal income in the state as a whole, where TPI declined by 0.9 percent. Total personal income includes income from three main sources: net earnings; dividends, interest and rent; and transfer receipts. Net earnings make up the vast majority of income in the region as it does elsewhere, with the remaining percentage divided between the other two components. In the Milwaukee WDA, 62.2 percent of TPI was from net earnings, which was lower than the statewide share of 64.3 percent. About 15.0 percent came from of dividends, interest, and rent, which was lower than the statewide share of 17.2 percent. Transfer receipts made up the remaining 22.8 percent of TPI, a larger share than the statewide rate of 18.4 percent. Transfer receipt income comes from benefits like Social Security, unemployment insurance, Medicaid, Medicare, and welfare. When compared to the state, the relatively lower share of net earnings and relatively high share of transfer receipts indicates that the population is either collects more welfare payments than average or is older on average. The first effect mention is probably more accurate because urban areas tend to attract younger residents, and the Milwaukee WDA is more urban than any of the other WDA's in the state.

Regional per capita income of \$37,088 was slightly lower than the state per capita income of \$37,373. Regional income declined by 0.1 percent compared to a decline of 1.6 percent for the state. Milwaukee's relatively high unemployment rate might make the per capita income seem unexpectedly close to the statewide average. However, The Milwaukee WDA can be considered a metropolitan area, and per capita personal income tends to be higher in metropolitan areas than non-metropolitan areas.

Fox Valley WDA

The Fox Valley Workforce Development Area (WDA) is composed of seven counties in northeastern Wisconsin (Calumet, Fond du Lac, Green Lake, Outagamie, Waupaca, Waushara, and Winnebago). It is among the state's fastest growing regions in terms of population and economic growth. This vibrancy has created a number of interesting dynamics as the region responds to the challenge of the recent economic recession.

Labor Force

In calendar year 2010, the Fox Valley's labor force accounted for 10.6% of Wisconsin's total labor force, a share which is unchanged from 2009. Between 2009 and 2010, the labor force in the Fox Valley WDA decreased by eight-tenths of one percent, or by approximately 2,500 individuals. While the region's labor force remained virtually unchanged, the region's employment situation changed significantly in response to the economic recession. Between 2009 and 2010, the region's annual average unemployment rate decreased by seven-tenths of one percent to 7.9 percent. To put this in perspective, the region's unemployment rate was higher than that of the South Central WDA (6.7%) and WOW WDA (7.5%), but lower than that of the Milwaukee (9.6%) and Southeastern WDA (10.0%). This placement roughly in the median of the regional unemployment distribution is highly intuitive and comes as a result of the sheer size and economic diversity of the region.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). In calendar year 2010, the LFPR was 70.8 percent, down four-tenths of one percentage point from 2009. Although the rate was significantly decreased over the year, it still was above Wisconsin's rate of 69.0 percent. The metropolitan regions with large concentrations of working-aged populations tend to have higher participation rates. The South Central WDA has the state's highest LFPR at just over 75 percent, followed by the Fox Valley WDA and West Central WDA at 70.7 percent. Wisconsin has one of the highest LFPRs nationally, so Fox Valley WDA's rate is quite high. Both the region's and the state's LFPR will likely decline as the population continues to age. We have started to note this trend, as many older workers exited the labor force by choice or attrition as a consequence of the recent recession.

Jobs and Wages

In calendar year 2010, the Fox Valley WDA job base (274,735 jobs) accounted for 10.5 percent of the total jobs in Wisconsin, which was significantly less than the Milwaukee or South Central WDA's share, although the relative disparity between these three regions continues to decrease due to a combination of somewhat disparate economies and local conditions. Job gains over the course of the year represented the earliest stages of economic recovery. In 2010, the Fox Valley WDA gained 222 positions, or 0.7 percent of 2009 employment. Each of the state's WDA's either experienced modest losses or gains across all industry sectors, while growth has been concentrated in a number of key industries.

At the same time that area employment exhibited moderate gains, area wages increased more significantly, growing by 3.5 percent from 2009 to 2010, or more than twice the statewide rate. Industry growth has been led by the professional and business services (2.5%) and education and health services (1.0%) industry sectors, while manufacturing (0.5%) has exhibited more modest recovery. Wage growth is also led by these three key sectors, with manufacturing (7.6%) outpacing professional and business services (2.5%) and education and health services (2.4%). Two key sectors that continue to experience the effects of the recent recession are construction and financial activities, which both exhibited employment and wage loss during the last year.

Personal Income

Total Personal Income (TPI) is the sum of net earnings by place of residence; dividends, interest, and rent; and personal current transfer receipts. In calendar year 2009, TPI totaled \$20.9 billion. The Milwaukee WDA (\$35.6 billion) and South Central WDA (\$31.9 billion) have greater regional incomes, owing largely to their higher populations and job bases. Since 2008, TPI in the Fox Valley WDA decreased by 1.4 percent. Net earnings again account for the largest share (65.4%) of TPI in the area, followed by dividends, interest, and rent (16.8%), and transfer receipts (17.8%). All three components of personal income grew over the year, but in varying degrees, with a greater share of income coming from transfer payments than in the past. In fact, owing to greater reliance on unemployment insurance payments, 2009

marked the first year that transfer payments outweighed dividends, interest, and rent as an income component. As suggested in the past, much of this can be accounted by the fact that a rapidly aging population has started to utilize transfer payments, such as Social Security Income, and investment returns as either a primary means of income, or as a means of supplementing wages derived from marginal attachment to the labor force. Similarly, we have observed a notable increase in unemployment insurance payments, which also accounts for the relative increase in transfer payment income. We expect these trends to continue, with varying degrees, for the foreseeable future.

Per capita personal income (PCPI) is equal to TPI divided by the population. In 2009, PCPI was \$36,097 in the Fox Valley WDA, or about two percent lower than a year prior. This marks the first year of declining PCPI observed locally in some time. PCPI in the area lagged behind the WOW WDA (\$50,640), South Central (\$40,475), as well as the Milwaukee WDA (\$37,088), each of which has a relatively similar industry and population profile. This trend owes, in part, to the patterns discussed above, principally the growing local reliance on transfer payment receipts. As the area's population continues to age, it is expected that income growth will continue to lag, as growth dynamics in this component are usually tied closely to the rate of inflation.

Bay Area WDA

The Bay Area Workforce Development Area (WDA) is composed of 10 counties in northeastern Wisconsin (Brown, Door, Florence, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Shawano, and Sheboygan). It is not the most populous Workforce Development Area, nor does it contain the largest labor force or job base. Further, because the area is geographically large, changes in the labor force, jobs, wages, and income will vary, sometimes significantly, from one county to the next.

Labor Force

In calendar year 2010, the Bay Area's labor force accounted for 11.3% of Wisconsin's total labor force, a share which is unchanged from 2009. Between 2009 and 2010, the labor force in the Bay Area WDA decreased by 1.4 percent, or by approximately 4,900 individuals. While the region's labor force remained virtually unchanged, the region's employment situation changed significantly in response to the economic recession. Between 2009 and 2010, the region's annual average unemployment decreased by one-half of one percent to 8.6 percent. To put this in perspective, the region's unemployment rate was higher than that of the Fox Valley (7.9%), and South Central WDA (6.7%), but lower than that of the Milwaukee (9.6%) and Southeastern WDA (10.0%). This placement roughly in the median of the regional unemployment distribution is highly intuitive and comes as a result of the sheer size and economic diversity of the region, as well as the region's high manufacturing concentration.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). In calendar year 2010, the LFPR was 69.3 percent, down seven-tenths of one percentage point from 2009. Although the rate was significantly decreased over the year, it still was above Wisconsin's rate of 69.0 percent. The metropolitan regions with large concentrations of working-aged populations tend to have higher participation rates. The South Central WDA has the state's highest LFPR at just over 75 percent, followed by the Fox Valley WDA at 70.8 percent. Wisconsin has one of the highest LFPRs nationally, so Bay Area WDA's rate is quite high. Both the region's and the state's LFPR will likely decline as the population continues to age. We have started to note this trend, as many older workers exited the labor force by choice or attrition as a consequence of the recent recession.

Jobs and Wages

In calendar year 2010, the Bay Area WDA job base (295,065 jobs) accounted for 11.2 percent of the total jobs in Wisconsin, which was significantly less than the Milwaukee or South Central WDA's share, although the relative disparity between these two regions continues to decrease due to a combination of

somewhat disparate economies and local conditions. In 2010, the Bay Area WDA lost a total of 2,033 positions, or 0.7 percent of 2009 employment. This rate of job loss is slightly higher than the state (-0.4%), but is less than that of the Milwaukee WDA (-1.3%). As a whole, the state's workforce development areas saw little aggregate change in employment, with growth concentrated in a number of key sectors.

At the same time that area employment exhibited moderate gains, area wages increased more significantly, growing by 1.7 percent from 2009 to 2010. This equals the state's growth rate, but is less than half of that observed in the Fox Valley WDA (3.5%). This suggests that the regions' employers continue to compete for the most highly skilled talent. A cursory analysis of the area's industry sector patterns shows one particularly interesting trend. While manufacturing employment experienced a modest contraction in 2010 (-2.4%), employment in the professional and business services sector increased significantly (15.1%). This sector includes temporary help and job placement firms, suggesting that the region's employers are more heavily dependent on seasonal and temporary labor to meet employment demands.

Personal Income

Total Personal Income (TPI) is the sum of net earnings by place of residence; dividends, interest, and rent; and personal current transfer receipts. In calendar year 2009, TPI totaled \$22.2 billion. The Milwaukee WDA (\$35.6 billion) and South Central WDA (\$31.9 billion) have greater regional incomes, owing largely to their higher populations and job bases. Since 2008, TPI in the Bay Area WDA decreased by 0.8 percent. Net earnings again account for the largest share (64.0%) of TPI in the area, followed by dividends, interest, and rent (17.4%), and transfer receipts (18.6%). All three components of personal income grew over the year, but in varying degrees, with a greater share of income coming from transfer payments than in the past. In fact, owing to greater reliance on unemployment insurance payments, 2009 marked the first year that transfer payments outweighed dividends, interest, and rent as an income component. As suggested in the past, much of this can be accounted by the fact that a rapidly aging population has started to utilize transfer payments, such as Social Security Income, and investment returns as either a primary means of income, or as a means of supplementing wages derived from marginal attachment to the labor force. Similarly, we have observed a notable increase in unemployment insurance payments, which also accounts for the relative increase in transfer payment income. We expect these trends to continue, with varying degrees, for the foreseeable future.

Per capita personal income (PCPI) is equal to TPI divided by the population. In 2009, PCPI was \$36,068 in the Bay Area WDA, or about 1.2 percent lower than a year prior. This marks the first year of declining PCPI observed locally in some time. PCPI in the area lagged behind the WOW WDA (\$50,640), South Central (\$40,475), as well as the Milwaukee WDA (\$37,088), each of which has a relatively similar industry and population profile. This trend owes, in part, to the patterns discussed above, principally the growing local reliance on transfer payment receipts. As the area's population continues to age, it is expected that income growth will continue to lag, as growth dynamics in this component are usually tied closely to the rate of inflation.

Northwest WDA

The Northwest WDA region consists of Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor, and Washburn counties.

Labor Force

The Northwest's total labor force numbered about 93,500 in 2010, a decrease of 1.7 percent from 2009. This decrease can be explained by the economy, the region's population decline and the increasing number of residents whom are of retirement age. Roughly 84,400 residents were employed, including the self-employed and those working in family businesses. The number of unemployed residents in the region

stood at about 9,100, with an associated unemployment rate of 9.8 percent. Though this ten-county region is geographically large, it comprises only about three percent of Wisconsin's total workforce, ranking smallest among Wisconsin's 11 designated WDA regions.

The Northwest's unemployment rate was up 0.5 percent points from its 2009 level. The number of unemployed decreased by about 6.4 percent since 2009, with a 1.2 percent drop in the number of employed. The number of unemployed since 2009 grew by about four percent nationally compared to the 6.4 percent decrease in the Northwest WDA region, with the national labor force shrinking by less than one percent.

Jobs and Wages

Covered employment in the Northwest WDA region totaled 64,600 jobs, about 2.5 percent of Wisconsin's job base in 2010. The region gained 400 net jobs since 2009, a 0.7 percent increase, better than the statewide decrease of 0.4 percent. Only a few industry sectors in the Northwest WDA region lost jobs. Construction jobs in the region were lost (-6.6 percent) related to the continuing struggles in the housing market. Job losses were also more apparent in the trade, transportation, and utilities sector, with a 1.6 percent decrease in jobs. In addition, the financial activities sector lost two percent of its job base. Professional and business services grew 7.8 percent posting the region's fastest sector level job growth. Natural resources and mining grew 3.2 percent. Modest job growth was evident in other sectors in 2010.

Total covered payroll in the Northwest WDA region was \$1.94 billion in 2010, up 1.6 percent from 2009. This was in line with the statewide average growth.

Personal Income

The Northwest's total personal income (TPI) was almost \$5.4 billion in 2009, growing 1.5 percent from 2008, faster than statewide growth. Total personal income includes income from three main sources: net earnings; dividends, interest and rent; and transfer receipts. Net earnings make up the vast majority of income in the Northwest WDA as it does elsewhere, with the remaining percentage divided between the other two components. In the Northwest WDA region, only about 53.7 percent of TPI is from net earnings, a significantly lower percentage than the statewide average of 64.4 percent, and 4.7 percent lower than its 2008 level. About 17 percent comes from dividends, interest and rent, lower than both the statewide and national levels. Government transfer receipts made up the remaining 29.3 percent, from benefits like Social Security, unemployment insurance, Medicaid, Medicare, and public assistance. This was a one-year increase of 20 percent, and was much higher than the state and national percentages. Given this, and the low proportion of income from earnings, this indicates an older population on average. This fits given the aging demographic of the Northwest WDA region.

The Northwest's 2009 per capita personal income of \$30,402 was significantly lower than the average state and national PCPI levels. However, growth from 2008 was 1.6 percent, a faster rate than the statewide average of -1.4 percent. Lower industry wages play a major role in the Northwest's lower PCPI, but the biggest factor is the heavy reliance on government transfer payments, the source of almost one-third of the Northwest's income, which tend to be significantly lower than employment earnings.

West Central WDA

The West Central Workforce Development Area (WDA) is composed of nine counties in northwestern Wisconsin (Barron, Clark, Chippewa, Dunn, Eau Claire, Pepin, Pierce, Polk and St. Croix). It is among the state's fastest growing regions in terms of population and economic growth. The region also benefits from its location along the I-94 corridor, just east of the Twin Cities in Minnesota. The effects of this proximity can be seen throughout the region, though it is most obvious in the border counties.

Labor Force

West Central Wisconsin's total labor force numbered about 254,804 in 2010, down 1.2 percent from 2009, despite continued strong population growth. This is similar to the statewide trend, and highlights the effects of the recession, as discouraged workers dropped out of the labor force. Roughly 235,244 residents were employed, including the self-employed and those working in a family business. This was down 0.6 percent from 2009, again due to continued drag from the recent recession. The number of unemployed residents in the region stood at about 19,560, down 7.9 percent from 2009, though that is likely due more to labor force dropouts than increased hiring. The unemployment rate, which also fell, stood at 7.7% in 2010. Though this region is geographically large, it comprises between 8 and 9 percent of Wisconsin's total workforce, ranking sixth largest geographically among Wisconsin's eleven designated workforce development areas (WDAs).

The labor force participation rate (LFPR), the share of the 16 and older non-institutional population that is in the labor force (either working or actively looking for work), is also a useful indicator of the economic health of a region. West Central's LFPR was 70.7 percent in 2010, down four-tenths of a percent point from 2009. Despite falling significantly over the year, it still was above Wisconsin's rate of 69.0 percent. The metropolitan regions with large concentrations of working-aged populations also tend to have higher participation rates. The South Central WDA has the state's highest LFPR at just over 75 percent, followed by the Fox Valley WDA; West Central comes in third. The six post-secondary schools in this education-rich region also play a role, attracting young workers that tend to raise the LFPR. Wisconsin has one of the highest LFPRs nationally, so West Central WDA's rate is quite high. Both the region's and the state's LFPR will likely decline as the population continues to age. We have started to note this trend, as many older workers exited the labor force by choice or attrition as a consequence of the recent recession.

Jobs and Wages

Covered employment in West Central totaled 174,405 jobs, about 6.6 percent of Wisconsin's job base in CY2010 – a slightly higher share than in CY2009, seventh amongst the eleven WDAs. The region gained 769 jobs since CY2009, about a 0.4 percent gain. This was the third fastest job growth in the state, versus a total statewide loss of 0.4%. Job gains over the course of the year represented the earliest stages of economic recovery.

Most sectors changed very little in CY2010, though many experienced significant losses in CY2009 due to the steepest downturn since the great depression. Sectors dependent on housing, like construction, were especially hard hit last year, given the drop in housing starts. And sectors dependent on consumer spending (like trade, transportation, and utilities; and leisure and hospitality) also shed jobs, as consumers cut back. However, in CY2010, those industry sectors remained relatively stable; if not gaining many jobs, at least no longer losing at last year's rate either. Education and health, which is West Central's largest sector both by employment and total payroll, grew by 2.9 percent last year, and grew by another 1.9 percent in CY2010. Though education tends to be somewhat recession resistant, this gain stems mostly from the region's already large healthcare sector. Skyrocketing demand for healthcare among aging baby boomers, coupled with a high concentration of healthcare establishments and health education programs lead to employment growth. Leading growth this year was the professional and business services sector. After losing 12 percent of its jobs in CY2009, this sector rebounded strongly in CY2010 – growing by 12.4%. Most of this growth was in the sub-sector related to temporary employment services, typical of recovery hiring. Businesses tend to turn to employment agencies for early hires after a recession, reluctant to take on the risk of new employees in a time of relative uncertainty.

Total covered payroll in West Central was about \$5.8 billion in CY2010, rebounding from a drop in CY2009, up 2.8 percent in nominal terms. This was faster growth than the statewide average, and was only eclipsed by the Western and Fox Valley WDAs. Most of the wage growth was in the manufacturing sector, as the workweek lengthened in CY2010 following the cutbacks of CY2009.

Personal Income

West Central's total personal income (TPI) was about \$15.0 billion in 2009, and fell by about 0.4 percent annually, a much smaller drop than seen at the statewide (-1.4%) and national (-1.5%) levels. Total personal income includes income from three main sources: net earnings; dividends, interest and rent; and transfer receipts. Net earnings make up the vast majority of income in West Central as it does elsewhere, with the remaining percentage divided between the other two components. In the West Central region, about 65 percent of TPI is from net earnings, dropping to very close to the statewide average, despite being significantly higher than the statewide share in 2008. About 16 percent comes from dividends, interest and rent, lower than the statewide level. Government transfer receipts made up the remaining 19 percent, from benefits like Social Security, unemployment insurance, Medicaid, Medicare, and welfare, a higher level than the statewide average. The loss of share in net earnings, despite earnings growing in absolute terms from 2008, is related to a slower growth rate in 2009 than the other components. The share of transfer receipts had the fastest growth again this year, up about 3%, at least partially related to increased reliance on government payments during the lengthy recession. But some of the growth in this component can also be accounted for by the fact that a rapidly aging population has started to utilize transfer payments, such as Social Security Income, and investment returns as either a primary means of income, or as a means of supplementing wages derived from marginal attachment to the labor force. This is a trend we expect to see continue as the sizeable baby boomer population continues to age.

West Central's 2009 per capita personal income of \$32,805 was lower than the statewide average. The rate of change from 2008 was actually a very slight decline, similar to the drop seen in the statewide rate. Lower industry wages play a major role in West Central's lower PCPI, especially since net earnings are such a high proportion of total personal income. But having so many post-secondary educational institutions located in the county also has an effect on PCPI. Of the students that do work, many only work part-time, often in lower paying jobs. But regardless of that fact, they are still included in the total population, used as the denominator in determining in PCPI. This also contributes to a lower per capita income. And a decline was expected this year, as incomes dropped due to recessionary effects across the state.

North Central WDA

The North Central Workforce Development Area consists of Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas, and Wood counties.

Labor Force

North Central Wisconsin's labor force had a total of 226,355 participants in calendar year 2010 composed of 205,950 employed and 20,405 unemployed. The region's unemployment rate was 9 percent, down .1 percentage points from 2009's rate. The 2010 rate was higher than the statewide rate, which was 8.3 percent. It is common for this region to measure a higher-than-state average unemployment rate on an annual basis.

Compared to the proceeding year North Central Wisconsin's labor force contracted by 2.2% between 2010 and 2009. The labor force components of the number of unemployed and employed both decreased between 2009 and 2010. Over the year, the number of employed persons decreased by 2.1%. Over the year, the number of unemployed persons decreased by 3.1%.

The North Central WDA labor force participation rate (LFPR) in 2010 was 66.5 percent. The regional LFPR decreased by one point percentage points relative to 2009. North Central LFPR ranks ninth highest among the state's 11 Workforce Development Areas.

Jobs and Wages

The total job base in the North Central region numbered 189,535 jobs in 2010 representing a decline of 1.3 percent from 2009. The region's dominant employment sectors are education and health services; and trade, transportation, and utilities, which combined make up 46.4 percent of the region's job base. Manufacturing is its third largest employing sector at 16.4 percent of all jobs. Both of the region's major goods-producing employment sectors posted net job losses compared to 2009: construction (7.7 percent), and manufacturing (2.9 percent). Net job gains were measured in two sectors; natural resources and mining (2.8 percent) and public administration (1.6 percent).

Aggregate covered wages paid to workers in the region totaled \$6.7 billion in 2010; a non-inflation adjusted decrease of roughly 3 percent annually. Wages paid to those working in education and health services comprised the greatest share of total payroll in the region; a 29.5 percent share, and the manufacturing share ranked second highest at 20 percent. Both of these aggregate wage figures are higher when compared to their respective employment presence indicating a higher than average wage per job within these two sectors.

Total wages grew in five of 11 major employment sectors; leisure and hospitality, manufacturing, natural resources and mining, public administration, trade, transportation and utilities, and other services. Manufacturing wages paid grew at the fastest pace in 2010, at 2.41 percent. This sector comprises 20 percent of total wages paid and 16.4 percent of total employment in the region.

Personal Income

Total personal income (employment earnings; dividends, interest and rental income; and government/retirement transfer receipts) totaled \$14.5 billion in 2009, the most recent year available. About 61 percent of all total personal income (TPI) was accrued from employment earnings, which is slightly lower than the statewide composition of roughly 64 percent. The North Central TPI composition has a much higher share of government/retirement transfer receipts than the state as a whole (21.6 percent of total regionally vs. 18.4 percent statewide). Its higher transfer share is likely due to its age demographics. The region's median age is higher than the statewide figure. Its older population skew likely reflects a greater share of population likely to use these transfer monies—mainly elderly population with social security, Medicare and public/private retirement funds. Regional decline in TPI, -.3 percent, was much smaller than the statewide average, -1.4 percent, on an annual basis.

Per capita personal income (PCPI) equals TPI divided by total population. In the North Central Region in 2009, PCPI stood at \$35,160, ranking sixth highest among the state's 11 workforce development areas. That equals 94.1 percent of the statewide PCPI—which is also about the same region-to-state percent of the annual average wage. Its annual PCPI change, -.3 percent was 1.1 percentage points lower than the statewide average change of -1.4 percent.

Western WDA

Labor Force

The Western WDA consists of Buffalo, Crawford, Jackson, Juneau, La Crosse, Monroe, Trempealeau, and Vernon counties.

Western Wisconsin's annual average labor force came in at 161,453 in 2010. Approximately 150 thousand participants were employed and 12 thousand were unemployed. The region's annual average unemployment rate was 7.3 percent, down a half percentage point from 2009.

Western Wisconsin's labor force decreased by 1.3 percent in 2010 as the number of employed decreased 0.8 percent coupled with a 7.4 percent decrease in the number of participants unemployed. Nationally, labor force growth was slightly negative (-0.2 percent) from 2009 to 2010. The nation's number of employed fell by 0.6 percent, while its number of unemployed rose 3.9 percent.

Western Wisconsin's labor force participation rate (LFPR) in 2010 was 70.1 percent, remaining noticeably higher than the nation's 64.7 percent rate. The region's LFPR did decline in 2010 by nine-tenths of a percentage point as compared to its 2009 level of 71 percent.

Jobs and Wages

Western Wisconsin's covered job base averaged 135,196 total jobs in 2010, a net increase of 0.3 percent annually (+346 jobs). The sector posting the largest job gain was manufacturing with 349 more jobs than in 2009. The second largest sector gain came from a sector that accounts for only 1.2 percent of total covered employment in the region. That sector, natural resources and mining, added 237 jobs in 2010. Three sectors in the region suffered a loss of employment in 2010. The sector with the greatest loss of employment was trade, transportation, and utilities, posting a decline of 680 jobs. The construction sector was second, losing 172 jobs in 2010.

Aggregate covered wages paid to workers totaled \$4.6 billion in 2010, an increase of 3.3 percent (+\$146.4 million; not adjusted for inflation). Most major industry sectors in Western Wisconsin posted an aggregate wage increase. Natural resources and mining experienced the fastest growth rate in 2010, increasing at a 15.2 percent rate. The region's largest wage-paying sector, education and health services, enjoyed the largest numerical wages paid boost with a \$51.7 million increase in 2010, a 3.8 percent growth rate. Just two major industry sectors reported declining wages in 2010, with professional and business services off 1.2 percent and the other services category declining by 1.3 percent.

Aggregate manufacturing sector wages, \$898.7 million in 2010, increased 6.1 percent annually, exceeding its 1.6 percent job increase in the region. The average manufacturing wage in the region was \$40,296 in 2010. Manufacturing's average is considerably higher than the region's overall average of \$34,242, which is why gauging the employment performance of this sector is of importance in Western Wisconsin. Manufacturing comprised 15.9 percent of the region's job base, yet the sector makes up a disproportionately high 18.8 percent of aggregate wages paid in Western Wisconsin. It is the third largest sector in terms of total wages paid and second largest in terms of average annual wage.

Personal Income

Western Wisconsin's total personal income (TPI) was about \$9.5 billion in 2009. The regional increase in TPI of 1.1 percent from 2008 deviated from the trend of personal income in the state as a whole, where TPI declined by 0.9 percent (not adjusted for inflation). Total personal income includes income from three main sources: net earnings; dividends, interest and rent; and transfer receipts. Net earnings make up the vast majority of income in the region as it does elsewhere, with the remaining percentage divided between the other two components.

Employment earnings comprised approximately 62.1 percent of all 2009 TPI and unlike the overall TPI in Western Wisconsin, declined by 2.8 percent in 2009. Dividends, interest and rental income decreased 4.7 percent and government/retirement transfer receipts grew 20.9 percent as unemployment insurance payments picked up the slack in place of lost employment earnings, covering the loss in the other two categories.

Per capita personal income (PCPI; TPI divided by total population) in Western Wisconsin in 2009 was \$32,561. Annual PCPI growth in Western Wisconsin stood at 0.6 percent (not adjusted for inflation). The nation's PCPI growth rate was negative in 2009, losing 2.6 percent.

South Central WDA

The South Central WDA region is composed of six counties (Columbia, Dane, Dodge, Marquette and Sauk). This includes the Madison MSA (Columbia, Dane, and Iowa counties).

Labor Force

The South Central WDA had 460,931 labor force participants in 2010; of them, 429,996 were employed and 30,935 were unemployed. The region's unemployment rate was 6.7%, below the 7.1% of 2009. The region's unemployment rate was considerably lower than Wisconsin's statewide rate, which was 8.3%.

The labor force participation rate (LFPR) in this region in 2010 was quite high at 75.3% of the total 16 years and older population either working or seeking work, ranking highest among the state's eleven WDA regions. Its LFPR was significantly higher than the statewide and national participation rates, 69.0% and 64.7%, respectively. This is a highly engaged region in terms of its workforce as it has large share of population in its prime working years. There are substantial variations in LFPR within the region with younger, more diverse areas having higher concentrations of labor force participants and rural, older areas having higher concentrations of retirees.

South Central Wisconsin's labor force fell 0.5% comparing 2010 to 2009. In terms of labor force components, the number of employed fell 0.2% and the number of unemployed declined 5.4 percent. The region would look much more cyclical and much more seasonal were it not for the heavy influence of Dane County with its cluster of colleges and its hub of state government and professional services.

Jobs and Wages

In 2010, South Central Wisconsin employers reported 419,717 jobs, posting no growth over the 2009 figure. The region's dominant employment sectors are the education and health services sector and the trade, transportation, and utilities sector. Together, they account for 41.4% of the region's reported employment and 39.7% of the region's wages. Between 2009 and 2010, manufacturing employment fell 1%, whereas the region's total manufacturing payroll wages grew 3% or nearly \$76 million. Over the same period, the South Central region posted the biggest numerical job gains in education and health services (1,465 jobs) and professional and business services (1,208 jobs), which were followed by smaller additions in public administration (144 jobs), other services (139 jobs) and leisure and hospitality (125 jobs). Like manufacturing, jobs in the trade, transportation and utilities sector fell 1% over the period.

South Central Wisconsin's total reported payroll in 2010 was \$17.3 billion, 1.7% higher than in 2009, without adjusting for inflation. At \$4.4 billion, the aggregate wages of education and health workers were 25.6% of the region's total wages, a greater share than any other sector's wages. The manufacturing sector contributed more to total wages (14.6%) than to total employment (12.3%), while trade, transportation, and utilities contributed less to total wages (14.2%) than to total employment (17.6%). The largest increases in terms of annual payroll were posted by education and health services (\$113 million), manufacturing (\$76 million) and professional and business services (\$43 million). The only sectors that posted losses in total wages were construction, with a contraction of \$41.6 million, and financial activities, with a decrease of \$6.2 million.

Personal Income

Total Personal Income (TPI) includes net earnings; dividends, interest and rental income; and government transfer receipts. South Central Wisconsin's TPI totaled \$31.9 billion in 2009 (the most recent year available). Roughly 68% of all TPI fell into the net earnings category (which includes earnings from self-employment and proprietorship). This ratio is higher than Wisconsin's net earnings as a share of TPI (64%). With its large population and high labor force participation rate, Dane County (69%) pulls up the regional

average while the rest of the counties posted ratios of around 65%, except for the smallest and rural Marquette, where net earnings only account for 51% of total personal income.

Government transfer receipts constitute 14.3% of South Central Wisconsin's TPI, which is lower than Wisconsin's 18.4%. Again, there is a sharp contrast between Dane County (11.9%), smaller counties like Jefferson (19.6%) and Sauk (18.8%), and the smallest Marquette (31.3%). Rural areas often have higher concentrations of older residents who are eligible for Medicare and Social Security. More metropolitan areas often have higher costs of living, more traffic, and lower concentrations of older residents.

South Central Wisconsin's investment income (dividends, interest, and rent) totaled \$5.7 billion in 2009, or 18% of TPI. This is slightly above the statewide average of 17.2%.

Per capita personal income (PCPI) equals TPI divided by total population and in South Central Wisconsin stood at \$40,475 in 2009, higher than the statewide PCPI of \$37,373. Between 2008 and 2009, PCPI fell 2.0%, which was faster than the statewide PCPI contraction.

Southwest WDA

The Southwest WDA region is composed of six counties (Grant, Green, Iowa, Lafayette, Richland and Rock). This includes the Janesville-Beloit MSA (Rock County).

Labor Force

The Southwest Wisconsin WDA had 161,626 labor force participants in 2010; of them, 146,591 were employed and 15,035 were unemployed. The region's unemployment rate was 9.3%, below the 10.5% of 2009. The region's unemployment rate was higher than Wisconsin's statewide rate, which was 8.3%.

The labor force participation rate (LFPR) in this region in 2010 was somewhat low at 67.6% of the total 16 years and older population either working or seeking work. Its LFPR was below the statewide participation rate (69%) and above the national one (65%). This somewhat low LFPR results mostly from the extremely low LFPR posted by Rock County, which has been declining since 2001 and has posted the lowest LFPR in the group since 2008, increasing its distance from the group since then.

Southwest Wisconsin's labor force fell 2% comparing 2010 to 2009. In terms of labor force components, the number of employed fell 0.8% and the number of unemployed declined 13%.

Jobs and Wages

In 2010, Southwest Wisconsin employers reported 109,369 jobs, a 0.4 decrease relative to the 2009 figure. The region's dominant employment sectors are the trade, transportation, and utilities sector and the education and health services sector. Together, they account for almost 51% of the region's reported employment and 52% of the region's wages. Between 2009 and 2010, the employment in professional and business services increased by 368 jobs, while its total payroll grew \$31 million or 13.9%. Over the same period, the Southwest region also posted moderate numerical job gains in education and health services (204), public administration (78) and natural resources and mining (62). Five sectors posted net job losses: manufacturing (511), construction (261), trade, transportation and utilities (187), information (132) and leisure and hospitality (116).

Southwest Wisconsin's total reported payroll in 2010 was \$3.8 billion, 1% higher than in 2009, without adjusting for inflation. At \$1.0 billion, the aggregate wages of education and health workers were 27.5% of the region's total wages, a greater share than any other sector's wages. The manufacturing sector contributed more to total wages (19.1%) than to total employment (14.5%), while trade, transportation, and utilities contributed less to total wages (24.7%) than to total employment (26.6%). The education and health services sector posted the largest gain in terms of aggregate annual payroll in 2010, with an

increase of \$36 million or 3.6%. The only sector that showed a sizable increase in total payroll was the professional and business sector, with a growth of 31 million or 13.9%.

Personal Income

Total Personal Income (TPI) includes net earnings; dividends, interest and rental income; and government transfer receipts. Southwest Wisconsin's TPI totaled \$9.6 billion in 2009 (the most recent year available). Roughly 60% of all TPI fell into the net earnings category (which includes earnings from self-employment and proprietorship). This ratio is below Wisconsin's net earnings as a share of TPI (64%). With its relatively large population and decreasing labor force participation rate, Rock County (61%) pulls down the regional average while rural counties like Grant, Lafayette and Richland post figures under 60%.

Government transfer receipts constitute 22% of Southwest Wisconsin's TPI, which is considerably higher than Wisconsin's 18%. Due to the recession, this ratio has increased significantly for Janesville-Beloit MSA's Rock County, from 18.5% in 2008 to 23.1% in 2009, approaching the rural counties of Grant (20.3%) and Richland (22.9%) and distancing from Madison MSA's Iowa County (15.9%).

Southwest Wisconsin's investment income (dividends, interest, and rent) totaled \$1.6 billion in 2009, or 17.1% of TPI. This ratio matches the statewide average of 17.2%.

Per capita personal income (PCPI) equals TPI divided by total population and in the Southwest Wisconsin in 2009 stood at \$31,871, significantly below the statewide PCPI of \$37,373. Between 2008 and 2009, PCPI fell 1.9%, which was slower than the statewide PCPI decline.