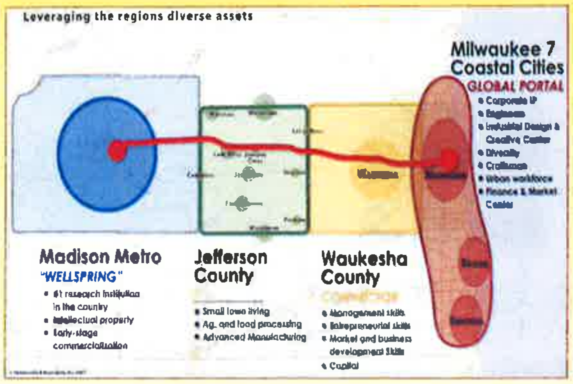
JEFFERSON COUNTY PLAN BACKGROUND

In 1999, Jefferson County adopted the Agricultural Preservation and Land Use Plan – the first of its kind in Wisconsin. According to Wisconsin's Comprehensive Planning Law, each community's adopted comprehensive plan must be updated at least every 10 years. Due to the high interest in promoting economic development in Jefferson County, the Jefferson County Economic Development Consortium (JCEDC) was created and serves as the lead economic development organization in Jefferson County. Formed in 2003, the JCEDC took the lead in updating Jefferson County's Comprehensive Plan through an economic emphasis approach. A two-phase process was developed that allowed for the creation of an economic vision in Phase 1 and an assessment of and recommendations for updating the 1999 Comprehensive Plan. The process and plan are referred to as the Jefferson County Comprehensive Plan Update (with Economic Development Emphasis). This poster is a summary of that approved plan.



Economic Development Vision:

Jefferson County will be a leader in home-grown business development and innovation linkage, agricultural enterprises and healthy, small-town living.

Jefferson County

WISCONSIN

COMPREHENSIVE PLAN

WITH ECONOMIC DEVELOPMENT EMPHASIS

As Amended Thru February, 2012

Located in the southeastern corner of Wisconsin between Madison and Milwaukee, Jefferson County is replete with exciting communities, breathtaking scenery, and economic opportunity. The County has a rich history in agriculture, offers vibrant small-town living, and is poised for economic growth.

This "Poster Plan" serves as a summary of key concepts from Jefferson County's Comprehensive Plan with Economic Development Emphasis. More information can be found by visiting Jefferson County's website at:

www.jeffersoncountywi.gov

Key Focus Areas

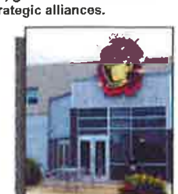
The "Key Focus Areas" summarize the consensus Vision Statements into three broad topics.

HOME-GROWN BUSINESS & INNOVATION

- The County, the UW-System and UW-Whitewater will have a network of higher education, government and business communities focused on innovative forces.
- We will have new international markets based on opportunities in India, China and other countries.
- We will have a diverse mix of manufacturing industries recognizing our prominence in advanced manufacturing, food products, the service and health care sectors, while taking advantage of our proximity to knowledge and innovation centers in Milwaukee and Madison.

How Do We Do This?

- Create a new network for innovation among the university and college systems and the business community.
- Focus economic development energy and capacity to support existing small and mid-sized companies, grow new markets and expand strategic alliances.



ENTERPRISING AGRICULTURE

- The County will have a continued foundation of commercial agriculture complemented by niche and value-added agribusiness, food processing bioenergy and new food businesses to address the market responsiveness of Jefferson County agriculture to the region and the world.

How Do We Do This?

- Advance the Jefferson County Agricultural Preservation and Land Use Plan Update (Farmland Preservation Plan).
- Create a regional and local food initiative with strategies aimed at developing an organic and local food cluster.
- Explore opportunities to source Jefferson County grown products in institutions, hospitals, school districts, and major employers; and look into other ways to grow the local food processing cluster.

SMALL TOWN MAGNETISM

- We will have a foundation of long-time established businesses that value and are committed to their Jefferson County and local community presence.
- The County will have new large natural resource-oriented parks connected by a network of bike paths, trails and silent sport recreation destinations, and will have an authentic and innovative package of tourism attractions linked by a comprehensive County wayfinding system.
- We will have strong community centers or "destination downtowns" in each of the communities that comprise the "heart and soul" of the community and that contribute to the economic health through destination retail.

How Do We Do This?

- Focus on downtown reinvestment, redevelopment, and increasing downtown vitality.
- Advance the Glacial Heritage Area Plan, incorporating community destinations as a key component of the system.

How Do We Do This? refers to:

Catalytic Strategies **in the Plan. The "catalytic strategies" are specific initial activities that could represent the first steps toward localizing a strong and competitive economic vision in Jefferson County and its communities.**

Thank you to our Contributors:

- Jefferson County Economic Development Consortium
- Jefferson County Zoning Department
- Jefferson County Land Information Department
- UW Extension Jefferson County Office
- LanDesign by Margaret Burlingham

AUGUST 2013

Implementation Road Map

CONSENSUS ECONOMIC VISION STATEMENTS BY TOPIC

The detailed vision statements listed below lay out the agreed-upon road map for a positive economic future in Jefferson County and its communities. Successful implementation will require multiple "players" to find their unique roles in developing initiatives and "doable" actions to move toward these ideas.

Implementation of the economic development vision is not the primary responsibility of any single jurisdiction. Instead, this plan invites and hopes to engage government leaders, nonprofit organizations, private sector corporations, educational institutions, economic development entities, and the general citizenry to respond with meaningful strategies. More detail is provided in the full plan.

ADVANCED MANUFACTURING, ENERGY AND ELECTRICAL TECHNOLOGY

Balance and Mix

- We will have a diverse mix of manufacturing industries recognizing our prominence in Advanced manufacturing, food products, the service and health care sectors, while taking advantage of our proximity to knowledge and innovation centers in Milwaukee and Madison.

Established Corporate Presence

- We will have a foundation of long-time established businesses that value and are committed to their Jefferson County and local community presence as 76% of businesses have been in operation for over 20 years.

TOURISM

Glacial Heritage Area

- The County will have new large natural resource-oriented parks (conservation parks or "pearls") connected by a network of bike paths and trails (strings) to each park and Jefferson County community.

Silent Sports

- We will have facilities and activities for high participation "Silent Sports" and recreation destinations that respond to emerging and changing demands (including hiking, paddling, wildlife viewing, fishing, biking and others.)

Biking

- We will have recognizable and identifiable bike loops and connections customized for a variety of users (i.e. families, youth and
- enthusiasts).

Packaging Key Features

- We will have authentic and innovative tourism opportunities packaged in themes.

INNOVATIVE CONNECTIONS

Networks for Innovation

- A network (including higher education institutions, the JCEDC, and many Jefferson County communities) will focus on utilizing innovative forces already in the region.

New Markets

- We will have a network of five or six leading companies to collaborate and focus on innovation and new directions for business growth.

International Markets

- We will have new international markets based on opportunities in India, China and other countries.

AGRICULTURAL ENTERPRISES

Agricultural Mix and Size

- The County will have a continued foundation of commercial agriculture complemented by niche and value-added agribusiness, food processing, bioenergy and new food businesses to address the market responsiveness of Jefferson County agriculture to the region and the world.

- A protected agricultural land base with viable large agricultural districts where modern Agricultural technology and practices can occur.

Regional Foods

- Local leadership in identifying and establishing local food markets, local business collaborations and a local Jefferson County brand/identity.

SMALL-TOWN LIVING

Downtowns

- We will have strong community centers or "destination downtowns" that comprise the "heart and soul" of the community and that contribute to economic health through destination retail, heritage and civic pride.

Community Vitality

- We will have all the good things of a city in a small town atmosphere and characteristics that draw people to this area including strong local character, community identity, and authenticity.

BIOENERGY

Bioenergy Markets

- The County will have clusters of business related to bioenergy and associated market and commodity exchanges.

HEALTH CARE AND HEALTHY LIVING

Health Care

- We will have an integrated health care system for major hospital care and other patient needs and support.

Healthy Living

- We will have citizenry embracing a wellness/ fitness lifestyle and a cultural and physical environment exhibiting healthy living.

SUSTAINABILITY

- The Plan also contains a Topic Section on "Sustainable Systems". While no consensus vision statements were developed, the topic was framed around the need to develop innovative county-wide energy, transportation, water resource and systems approaches to help businesses and communities become more energy efficient and sustainable.

For more detailed information and the full Comprehensive Plan, see Jefferson County's website: www.jeffersoncountywi.gov

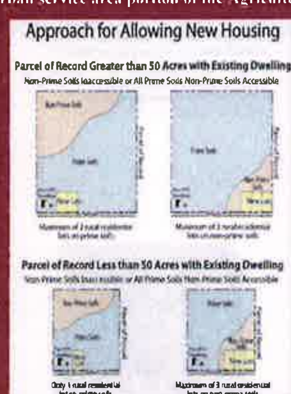
The Jefferson County Comprehensive Plan (called the Jefferson County Agricultural Preservation and Land Use Plan) was approved in October 1999. Jefferson County is required to re-certify its Farmland Preservation Plan every 10 years according to State Statute and the State of Wisconsin Working Land Initiative. This Plan Update is in response to that amendment requirement. The visions and values set forth in the 1999 Plan were re-affirmed during the public input process for the 2012 plan. Modifications were made to the urban service area portion of the Agricultural Preservation section of the Comprehensive Plan as required by State Statute.

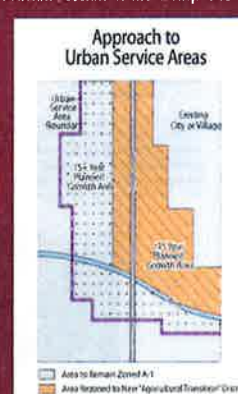
Rural Residential Development Policies:

- Rural residential lots require rezoning from A-1 to A-3.
- 2 acre maximum residential lot size (except for lot combinations).
- Clustering of new residential lots recommended.
- Some Towns may be more restrictive.

Agricultural Land Preservation Policies:

- Active Purchase of Agricultural Conservation Easements (PACE) program with assistance from matching grants.
- Support future Agricultural Enterprise Area (AEA) applications.
- Retain A-1 exclusive agricultural zoning.

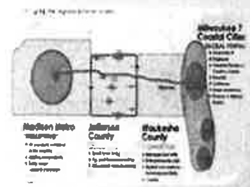


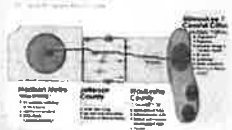


Manufacturing and Economic Trends: Determining Local Advantage Throughout Jefferson County

Wednesday, August 14, 2013
7:30 – 9:00 a.m.
Holiday Inn Express, Watertown

Sponsored By:
Jefferson County Economic Development Consortium (JCEDC)
Watertown Economic Development Organization (WEDO)
University of Wisconsin-Extension, Jefferson County Office





Agenda

- Introductions and welcome: John David, Chair, JCEDC and Mayor of Watertown
- Economic and Demographic Trends as a Context for Manufacturing: Steve Grabow, Community Development Educator, UW-Extension
- Types of Manufacturing and Implications for the Business Climate: Steve Deller, Community Economic Development Specialist, UW-Extension/UW-Madison
- Discussion on Future of Manufacturing Throughout Jefferson County: Panel led by Dennis Heling, Director, JCEDC; Kim Erdmann, Executive Director, WEDO; Steve Grabow; and Steve Deller.
- Adjourn: 9:00 a.m.

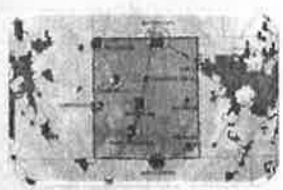
Forum Objectives and Resources

Objectives

- To bring business, economic development, and civic leaders together around the topic of manufacturing.
- To gain understanding of economic, demographic and other trends with implications for manufacturing.
- To gain understanding about categories of manufacturing and implications for economic strength.
- To initiate dialogue around the future of manufacturing in all Jefferson County communities and possible follow-up steps.

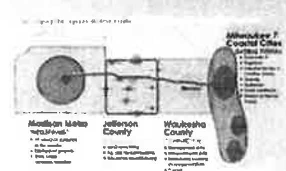
Resources

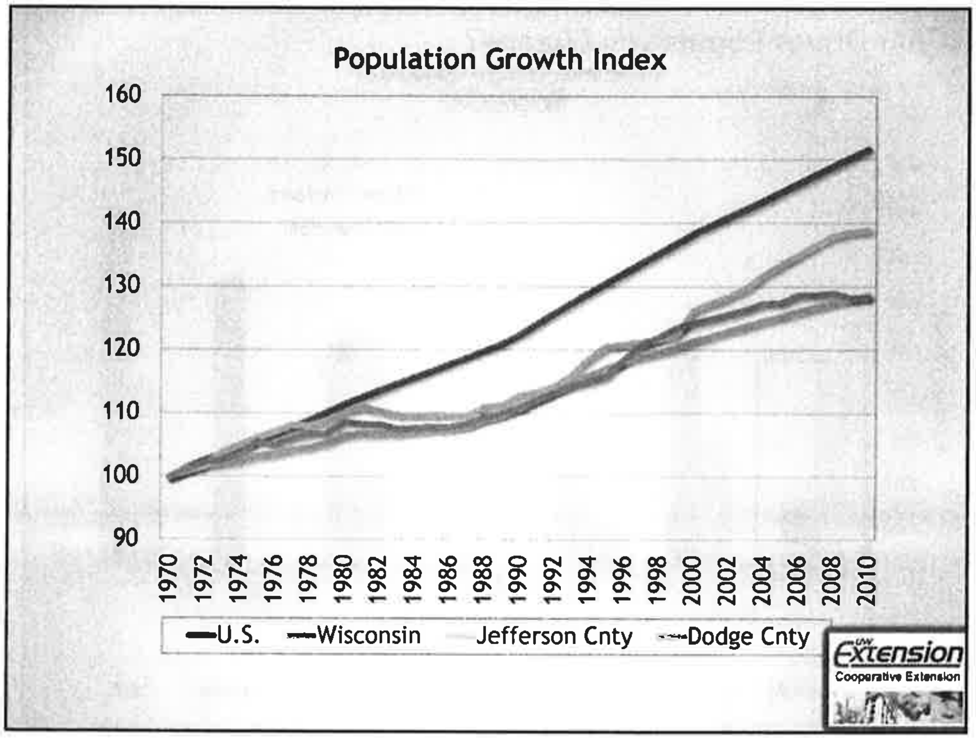
- Poster Plan: Jefferson County Comprehensive Plan with Economic Development Emphasis
- Draft Report: Analysis of Economic and Demographic Trends – Manufacturing Emphasis (June 2012)
- Report to ICC Counties: "The Times, They Are A-Changing" The Changing Demographics and Economics of the ICC Counties (April 2013) http://jefferson.uwex.edu/files/2010/09/4_2013_Intercounty-Coordinating-Committee_Demographic_Presentation.pdf

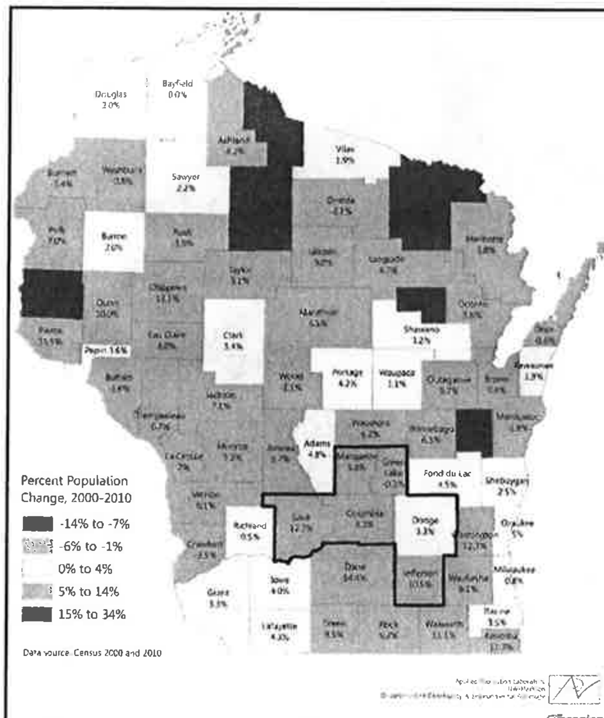


Economic and Demographic Trends As a Context for Manufacturing

Steve Grabow, University of Wisconsin-Extension, Jefferson County
Community Development Educator



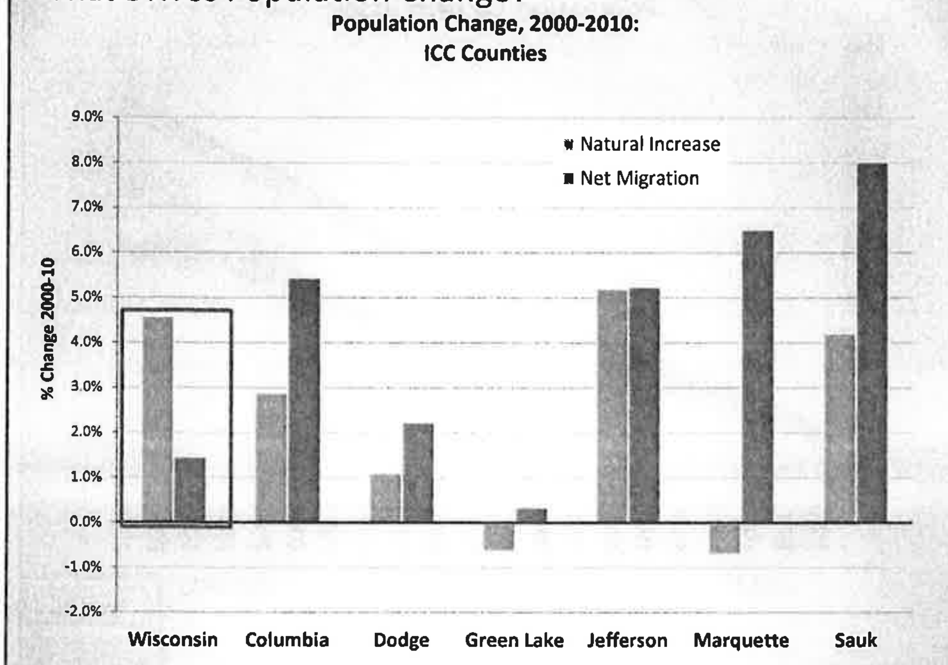




Population Growth

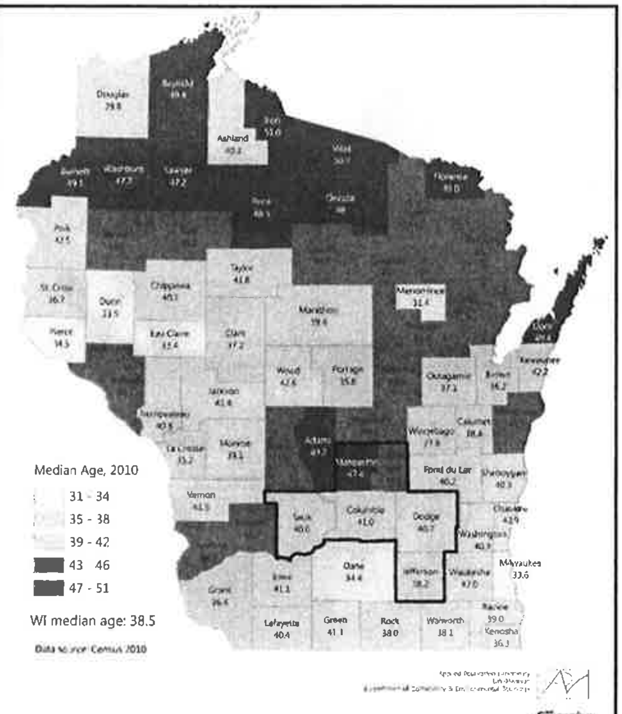
- Modest rates of population growth over last decade
- Economic recession and housing market collapse slowed pace of growth significantly after 2006
- ICC Counties home to over 325,000 people

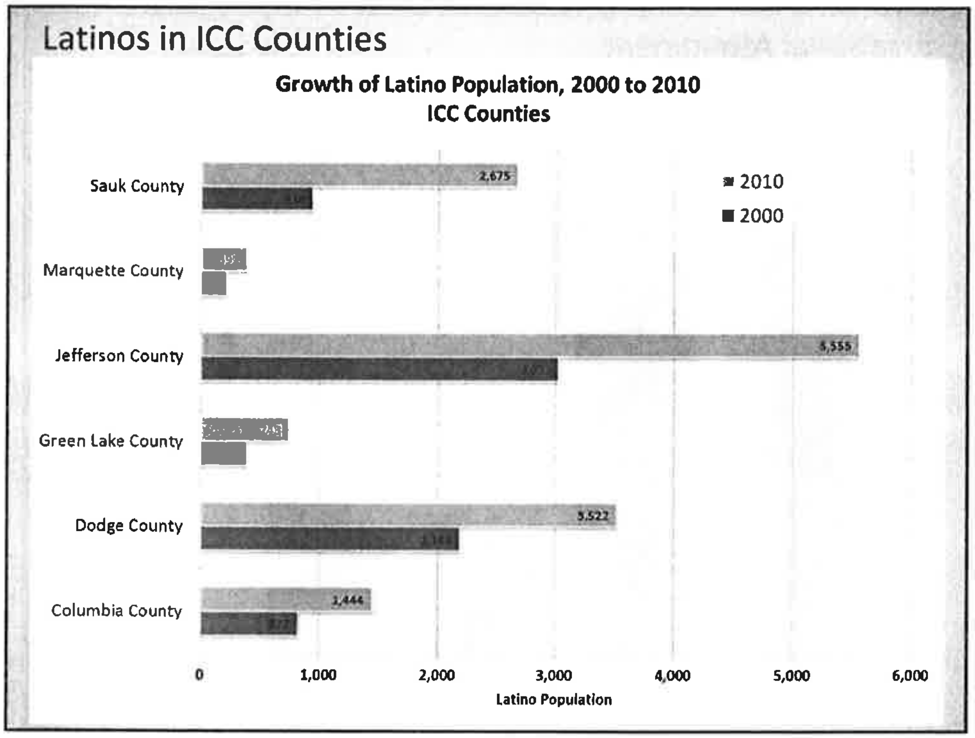
What Drives Population Change?

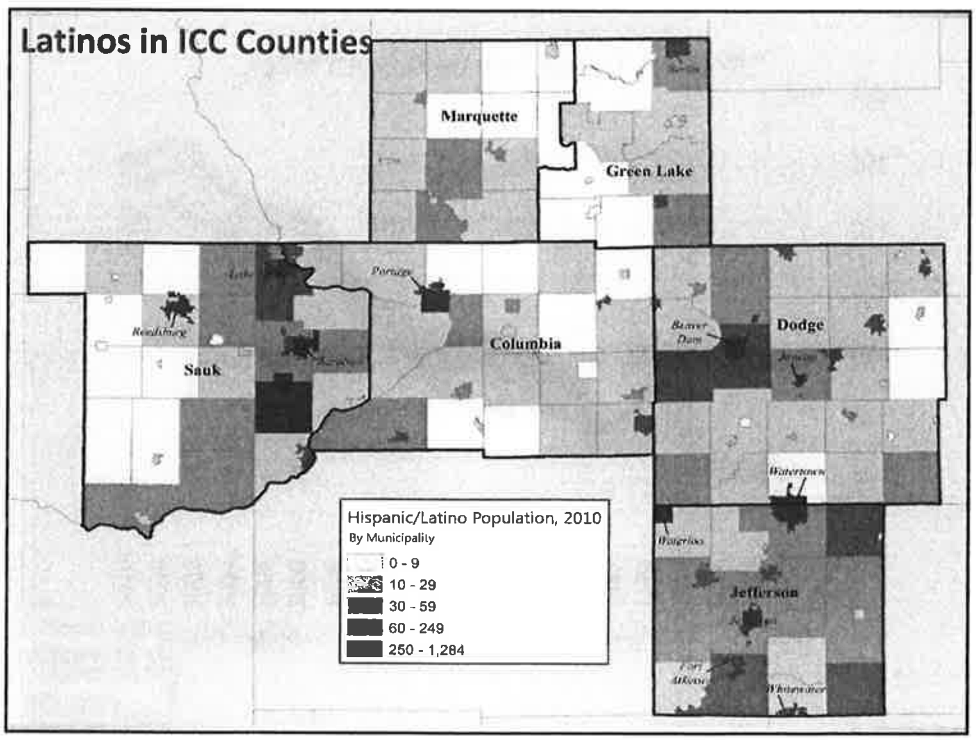


Age

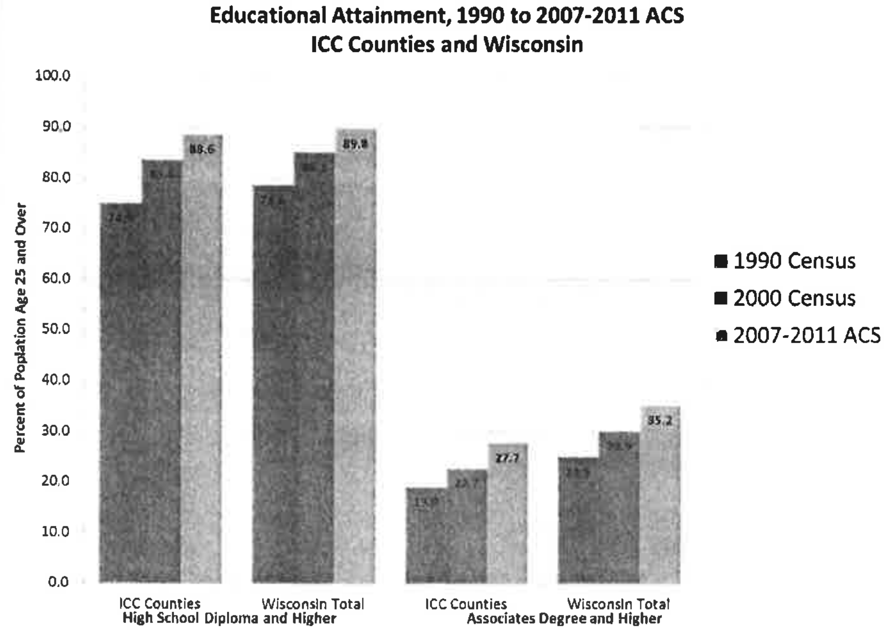
- "Oldest" median ages in state's history in 2010
- ICC counties in middle of pack compared to other areas
- Differences in patterns of aging
  - Local economies and job opportunities
  - In-migration of families and workers
  - Aging in place in Ag areas

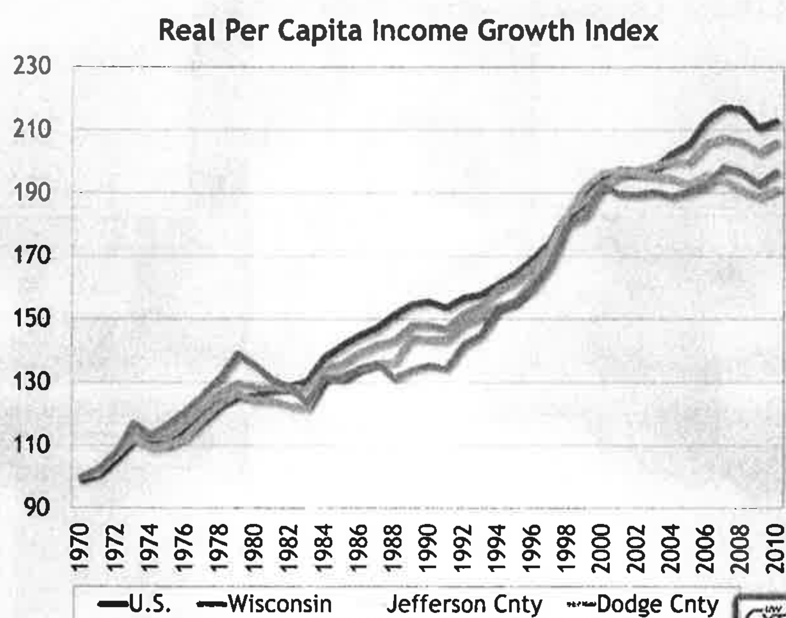



Latinos in ICC Counties
Growth of Latino Population, 2000 to 2010
ICC Counties
Sauk County
Marquette County
Jefferson County
Green Lake County
Dodge County
Columbia County
2,675
5,555
3,522
1,444
2010
2000
0
1,000
2,000
3,000
4,000
5,000
6,000
Latino Population

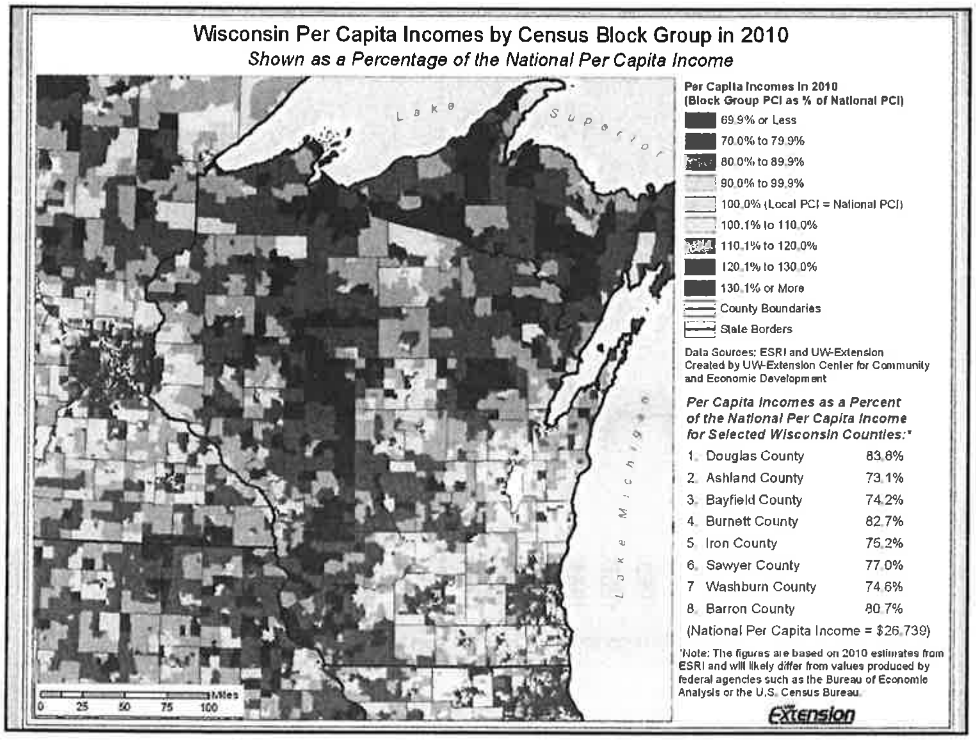

Latinos in ICC Counties
Marquette
Green Lake
Sauk
Columbia
Dodge
Jefferson
Portage
Hispanic/Latino Population, 2010
By Municipality
0 - 9
10 - 29
30 - 59
60 - 249
250 - 1,284

Educational Attainment

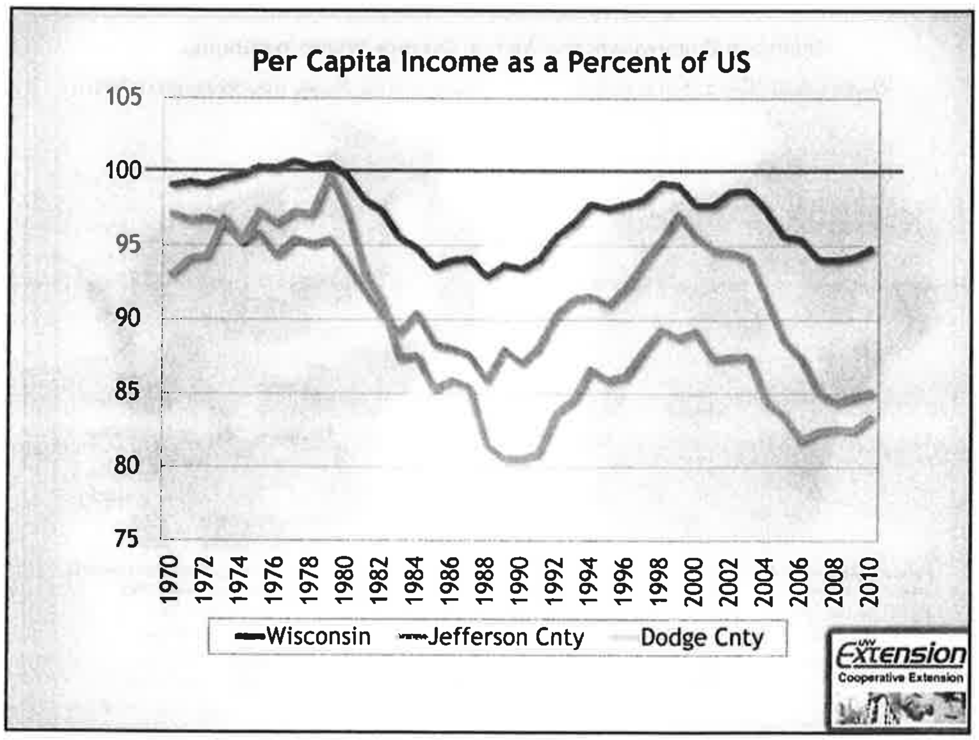




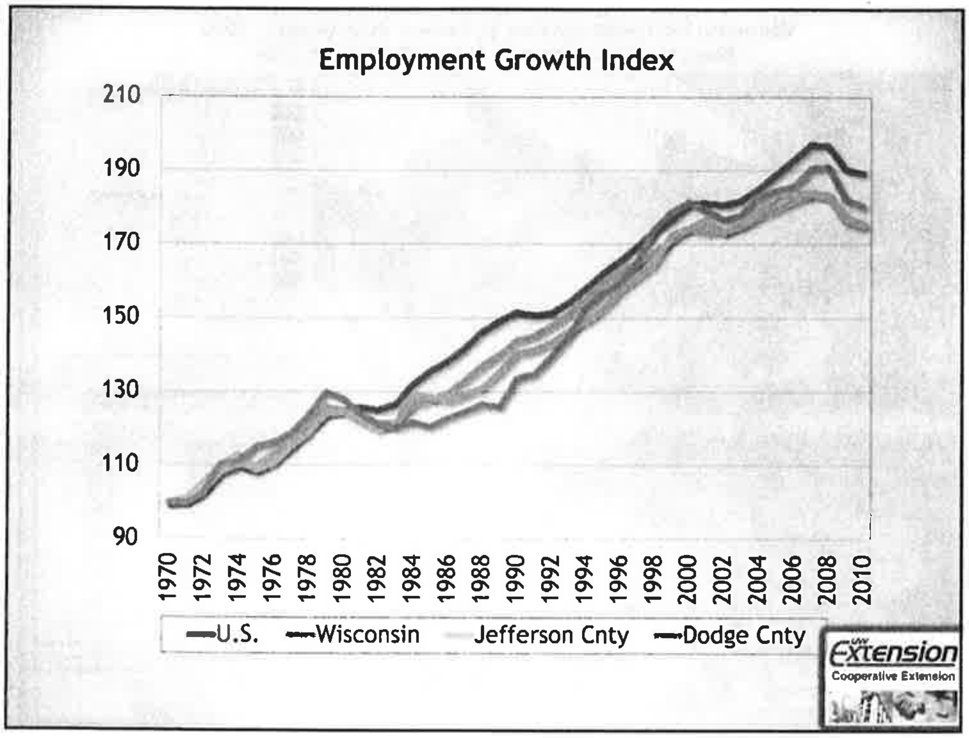
UW Extension
Cooperative Extension



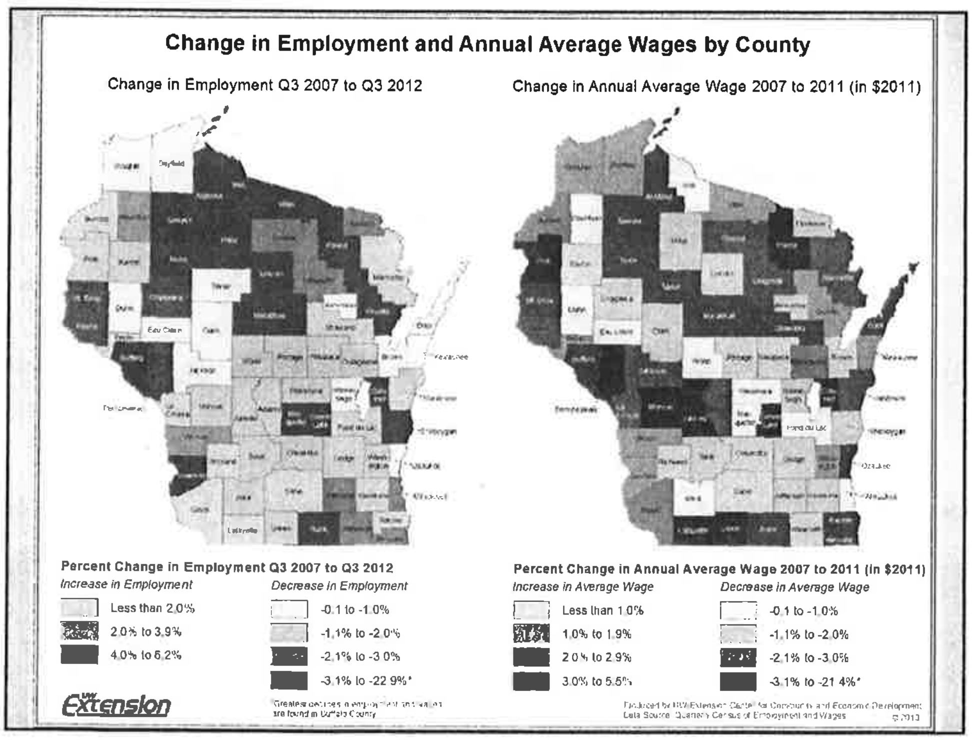
Wisconsin Per Capita Incomes by Census Block Group in 2010
Shown as a Percentage of the National Per Capita Income
Lake Superior
Lake Michigan
Per Capita Incomes in 2010 (Block Group PCI as % of National PCI)
69.9% or Less
70.0% to 79.9%
80.0% to 89.9%
90.0% to 99.9%
100.0% (Local PCI = National PCI)
100.1% to 110.0%
110.1% to 120.0%
120.1% to 130.0%
130.1% or More
County Boundaries
State Borders
Data Sources: ESRI and UW-Extension
Created by UW-Extension Center for Community and Economic Development
Per Capita Incomes as a Percent of the National Per Capita Income for Selected Wisconsin Counties:*
1. Douglas County 83.6%
2. Ashland County 73.1%
3. Bayfield County 74.2%
4. Burnett County 82.7%
5. Iron County 75.2%
6. Sawyer County 77.0%
7. Washburn County 74.6%
8. Barron County 80.7%
(National Per Capita Income = $26,739)
*Note: The figures are based on 2010 estimates from ESRI and will likely differ from values produced by federal agencies such as the Bureau of Economic Analysis or the U.S. Census Bureau.
Miles
0 25 50 75 100
Extension



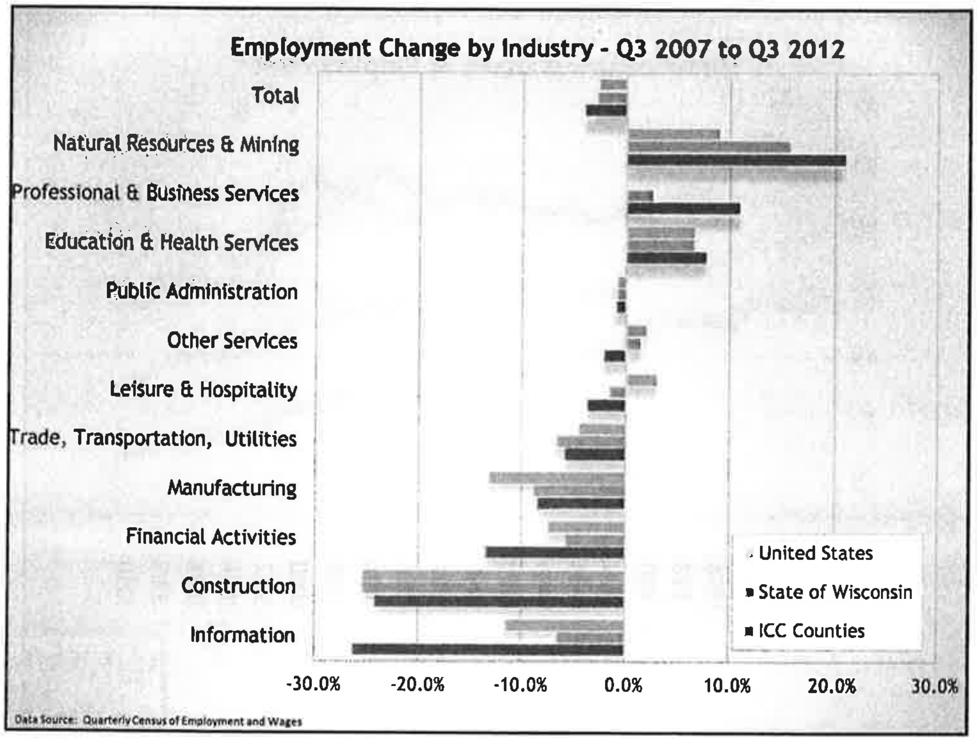
Per Capita Income as a Percent of US
105
100
95
90
85
80
75
1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010
Wisconsin
Jefferson Cnty
Dodge Cnty
Extension
Cooperative Extension

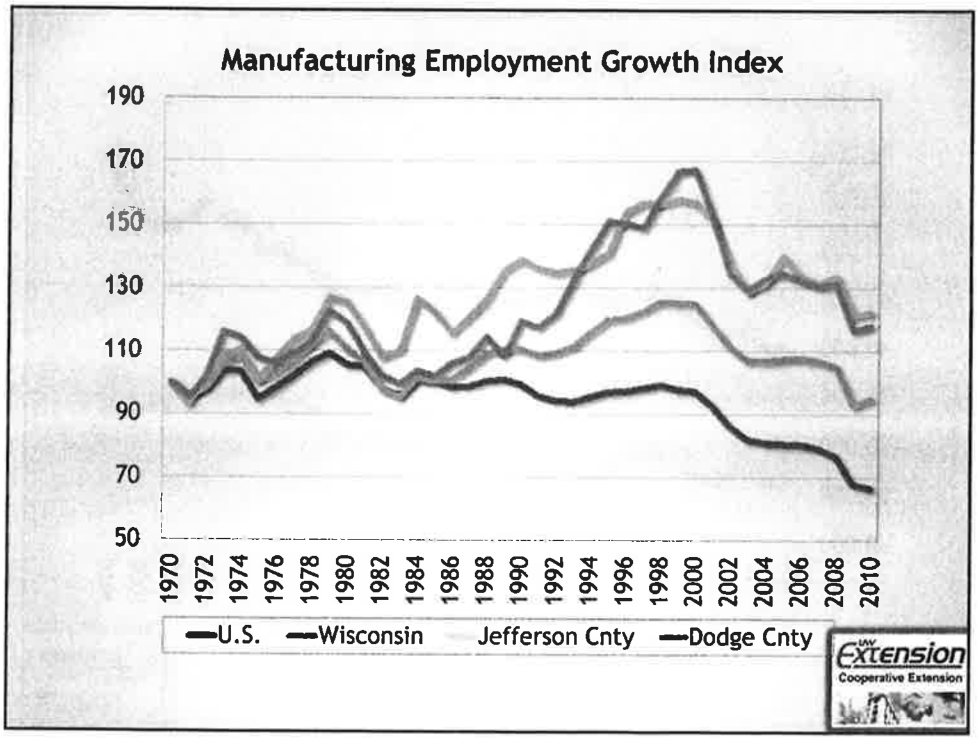


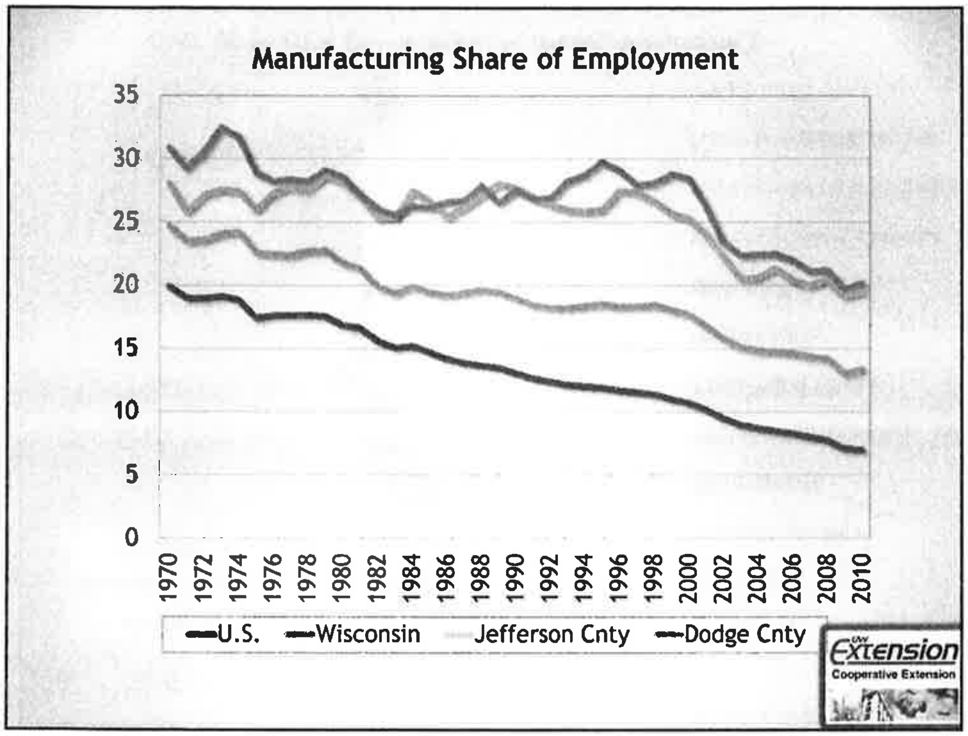
Employment Growth Index
210
190
170
150
130
110
90
1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010
U.S.
Wisconsin
Jefferson Cnty
Dodge Cnty
Extension
Cooperative Extension



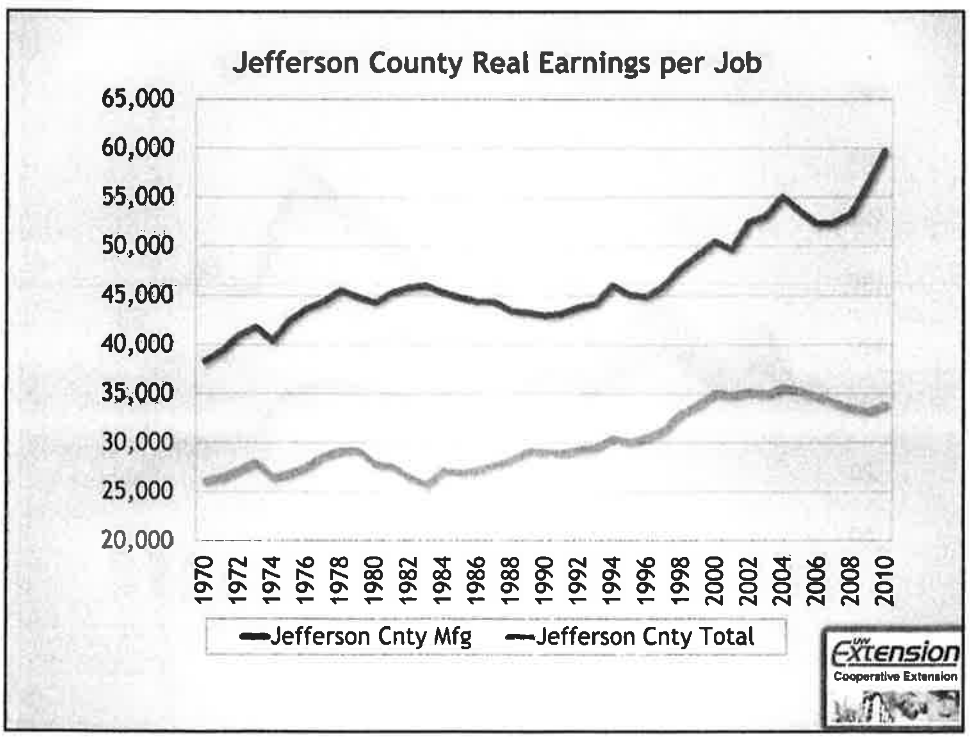
Change in Employment and Annual Average Wages by County
Change in Employment Q3 2007 to Q3 2012
Change in Annual Average Wage 2007 to 2011 (in $2011)
Percent Change in Employment Q3 2007 to Q3 2012
Increase in Employment
Less than 2.0%
2.0% to 3.9%
4.0% to 6.2%
Decrease in Employment
-0.1 to -1.0%
-1.1% to -2.0%
-2.1% to -3.0%
-3.1% to -22.9%*
Percent Change in Annual Average Wage 2007 to 2011 (in $2011)
Increase in Average Wage
Less than 1.0%
1.0% to 1.9%
2.0% to 2.9%
3.0% to 5.5%
Decrease in Average Wage
-0.1 to -1.0%
-1.1% to -2.0%
-2.1% to -3.0%
-3.1% to -21.4%*
Extension


Employment Change by Industry - Q3 2007 to Q3 2012
Total
Natural Resources & Mining
Professional & Business Services
Education & Health Services
Public Administration
Other Services
Leisure & Hospitality
Trade, Transportation, Utilities
Manufacturing
Financial Activities
Construction
Information
-30.0% -20.0% -10.0% 0.0% 10.0% 20.0% 30.0%
United States
State of Wisconsin
ICC Counties
Data Source: Quarterly Census of Employment and Wages

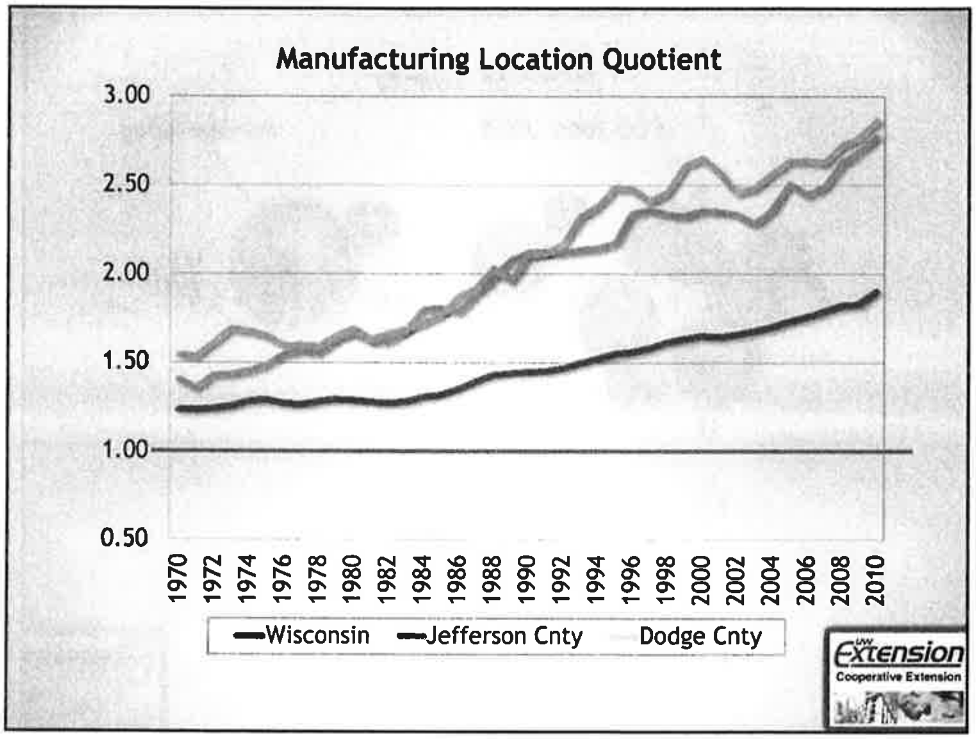

Manufacturing Employment Growth Index
190 170 150 130 110 90 70 50
1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010
U.S.
Wisconsin
Jefferson Cnty
Dodge Cnty
Extension
Cooperative Extension



Manufacturing Share of Employment
35
30
25
20
15
10
5
0
1970
1972
1974
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
U.S.
Wisconsin
Jefferson Cnty
Dodge Cnty
Extension
Cooperative Extension

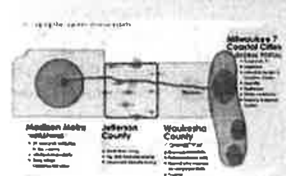


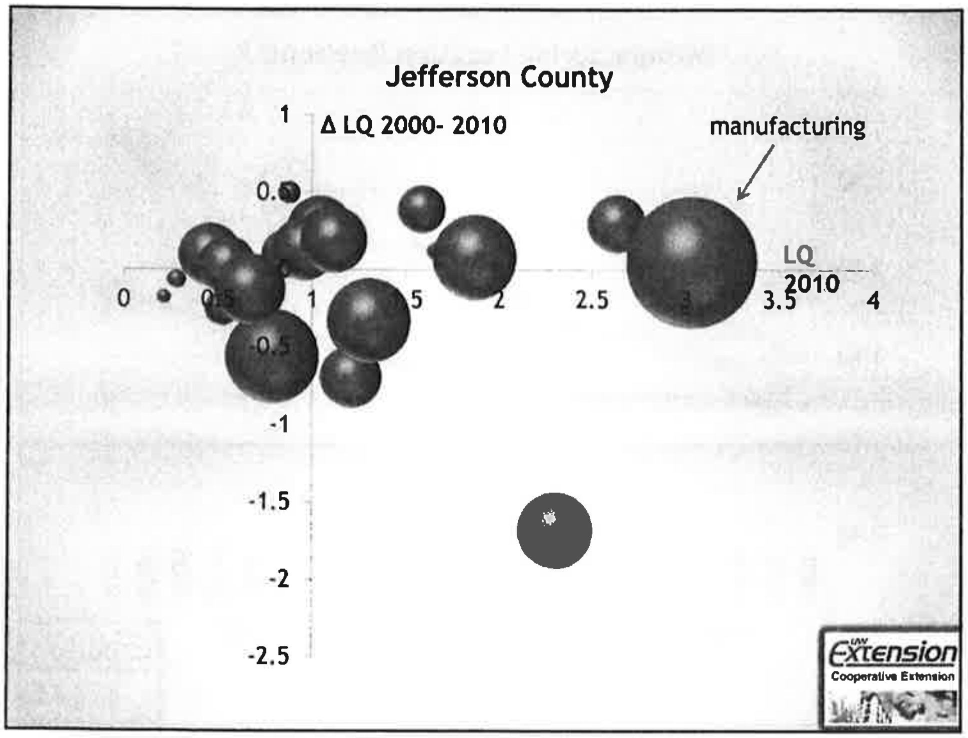
Jefferson County Real Earnings per Job
65,000
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
1970
1972
1974
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
Jefferson Cnty Mfg
Jefferson Cnty Total
Extension
Cooperative Extension



Types of Manufacturing and Implications for Business Climate

Steve Deller, University of Wisconsin-Extension/UW-Madison
Community Economic Development Specialist





Jefferson County Cluster Analysis: Level One

	LQ 2010	Change 2000 to 2010	Share of Employment
Strength and Growing			
Utilities	3.162	0.326	0.3
Manufacturing	3.029	0.054	19.5
Farm	2.626	0.302	3.9
State and Local Govt	1.865	0.082	8.3
Federal Military	1.659	0.123	0.5
Arts, Entertainment and Recreation	1.581	0.394	2.6
Other Service Except Govt	1.107	0.195	5.0
Information Serv	1.050	0.274	1.7
Construction	1.035	0.272	4.7
Strength and Declining			
Administration and Waste Services	2.299	-1.676	6.6
Health Care and Social Assistance	1.297	-0.323	8.1
Real Estate, Rental and Lease	1.200	-0.687	4.4
Weakness and Growing			
Management of Companies and Enterpri:	0.879	0.501	0.6
Finance and Insurance	0.953	0.140	4.6
Transportation and Warehousing	0.859	0.105	2.7
Wholesale Trade	0.454	0.101	4.4
Forestry, Fishing and Related	0.490	0.087	0.6
Professional and Technical Services	0.542	0.031	3.8
Weakness and Declining			
Federal Civilian	0.276	-0.061	0.4
Accommodation and Food Services	0.667	-0.121	5.7
Mining	0.218	-0.174	0.2
Educational Services	0.519	-0.247	1.3
Retail Trade	0.782	-0.554	10.0

Jefferson County Manufacturing Profile: **Ranked On Location Quotient**

	LQ	Employment	Share of Employment	Labor Income per Job	Total Income per Job	Output per Job
Motorcycle, bicycle, and parts mfg	256.22	679	1.44	83,484	178,900	640,853
Motor and generator mfg	89.75	819	1.74	72,526	141,730	336,785
Wood television, radio, and sewing machine cabinet mfg	46.59	411	0.87	68,019	130,691	259,277
Mattress mfg	40.54	255	0.54	42,686	102,018	318,741
Dog and cat food mfg	35.76	221	0.47	64,726	281,475	1,201,144
Metal can, box, and other metal container (light gauge) mfg	26.25	229	0.49	74,394	187,048	637,849
Flour milling and malt mfg	22.04	95	0.20	72,779	174,696	1,262,855
Boat building	21.97	148	0.31	47,994	54,269	192,150
Animal (except poultry) slaughtering, rendering, and processing	18.55	1,152	2.45	53,807	61,489	456,687
Nonupholstered wood household furniture mfg	18.46	169	0.36	38,370	57,958	124,266

Jefferson County Manufacturing Profile: **Ranked On Employment**

	LQ	Employment	Share of Employment	Labor Income per Job	Total Income per Job	Output per Job
Animal (except poultry) slaughtering, rendering, and processing	18.55	1,152	2.45	53,807	61,489	456,687
Motor and generator mfg	89.75	819	1.74	72,526	141,730	336,785
Motorcycle, bicycle, and parts mfg	256.22	679	1.44	83,484	178,900	640,853
Wood television, radio, and sewing machine cabinet mfg	46.59	411	0.87	68,019	130,691	259,277
Other plastics product mfg	5.24	359	0.76	47,565	73,175	226,546
Mattress mfg	40.54	255	0.54	42,686	102,018	318,741
Metal can, box, and other metal container (light gauge) mfg	26.25	229	0.49	74,394	187,048	637,849
Frozen food mfg	9.36	224	0.48	38,198	63,503	320,306
Other rubber product mfg	17.63	222	0.47	48,307	74,865	237,055
Dog and cat food mfg	35.76	221	0.47	64,726	281,475	1,201,144

Jefferson County Manufacturing Profile: **Ranked On Labor Income per Job**

	LQ	Employment	Share of Employment	Labor Income per Job	Total Income per Job	Output per Job
Soap and cleaning compound mfg	15.05	127	0.27	187,790	610,559	1,589,725
Breweries	6.06	44	0.09	156,567	394,365	947,906
Relay and industrial control mfg	0.18	1	0.00	132,760	205,689	400,289
Pharmaceutical preparation mfg	1.49	120	0.26	105,138	271,808	1,075,756
Lawn and garden equipment mfg	9.32	25	0.05	94,714	156,668	460,952
Soft drink and ice mfg	6.71	152	0.32	90,387	112,245	731,420
Industrial process furnace and oven mfg	9.93	20	0.04	86,035	114,803	243,838
Motorcycle, bicycle, and parts mfg	256.22	679	1.44	83,484	178,900	640,853
Adhesive mfg	9.94	52	0.11	81,990	107,006	533,640
Rolling mill and other metalworking machinery mfg	3.63	8	0.02	81,495	97,251	233,760

In the simplest sense there are TWO broad types of manufacturing:

Product	Commodity
The manufactured good is differentiable.	The manufactured good is common.
People are willing to pay a premium for the good.	People are looking for lowest prices.
Tends to use higher levels production technologies.	Tends to use lower levels production technologies.
Fewer jobs, but tend to be higher paying.	More jobs, but tend to be lower paying.

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Companies will spend millions of dollars in advertising to transition their good from a "commodity" to a "product".

Pepsi vs Coke
Red Bull vs Moster
Ford vs Chevy

When making location and expansion decisions "commodity" and "product" manufacturers look to very different community characteristics.

These different characteristics are often talked about in terms of "business climate".

What does a "positive business climate" mean to you?

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Manufacturers that produce "commodities" tend to compete on price. They do this by operating at the lowest possible costs.

- Cheap labor
- Low taxes
- Limited regulation

Business Climate?

More jobs, but lower paying jobs.

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This way of thinking dominated the "First Wave" of economic development thinking.......

....the Mississippi Balance Agriculture with Industry Act (BAWI) policies of the Great Depression era laid the foundation for the "new war between the states".

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Countless number of companies-consultants have developed measures or indices of business climate:

- Fantus Company
- Grant Thornton
- Small Business and Entrepreneurship Council
- Beacon Hill Institute
- Progressive Policy Institute
- Fraser Institute and the National Center for Policy Analysis
- Corporation for Enterprise Development
- And many, many others

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There are problems with these different measures:

1. There is little consistency across the different measures.
2. None are satisfactory predictors of economic growth.

We have really had to rethink what we mean by business climate.

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Increasingly, firms, particularly product focused manufacturers, are looking for:

- High quality infrastructure (broadband)
- Quality public services such as police/fire protection
- Skilled labor
- Consistency in rules-regulations
- Generally high quality of life characteristics

and not only offer low cost alternatives for the firm but, more importantly, offer a viable comparative advantage over other locations.

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Business Climate has more to do with the "attitude of the community":

- Willingness to work together
- Willingness to experiment
- Willingness to learn from mistakes
- Willingness to look within

Is the community entrepreneurial?

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Commodity based manufacturing:

- ➔ **More jobs but lower paying**
- ➔ **Focus on the cost of doing business (“old school” view of business climate)**

Product based manufacturing:

- ➔ **Fewer jobs but higher paying**
- ➔ **Focus on the quality of services (“entrepreneurial” view of business climate)**

Summary of Message Points on Manufacturing in Jefferson County

1. Manufacturing is a strength.
2. Manufacturing is a cluster of specialization.
3. Manufacturing is growing locally relative to the nation and Wisconsin.
4. Manufacturing is a priority for attention and emphasis in the Jefferson County “Economic Vision”; this priority has been reaffirmed locally in Watertown.
5. New ideas on modern manufacturing and business climate implications present opportunities for our area.
6. The entire business, economic development and civic sectors have key roles in strengthening the manufacturing sector.

Discussion on the Future of Manufacturing Throughout Jefferson County

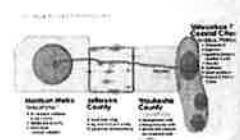
Panel led by:
Dennis Heling, JCEDC Executive Director,
Kim Erdmann, WEDO Executive Director,
Steve Deller and Steve Grabow

Prompting Questions:

a. What do you see as opportunities to build on our area's manufacturing strengths?

b. What are your ideas for retaining our area's strong position on "modern manufacturing"?

c. What are follow-up strategies for building alliances among our business leaders and the capacity of the manufacturing sector?



Watertown Economic Development Corporation

Analysis of Demographic and Economic Trends

Section 1 - Jefferson County Trends Related to Economic Sectors: Manufacturing Emphasis

Section 2 – Watertown's Demographic Analysis and Implications for Economic Development

Section 3 – Connecting Trends in Manufacturing to the Local Manufacturing Condition: Helping to Determine Local Advantages

Prepared by:

Steve Grabow, Professor and Community Development Educator
UW-Extension, Jefferson County Office

Dennis Heling, Economic Development Director
Jefferson County Economic Development Consortium

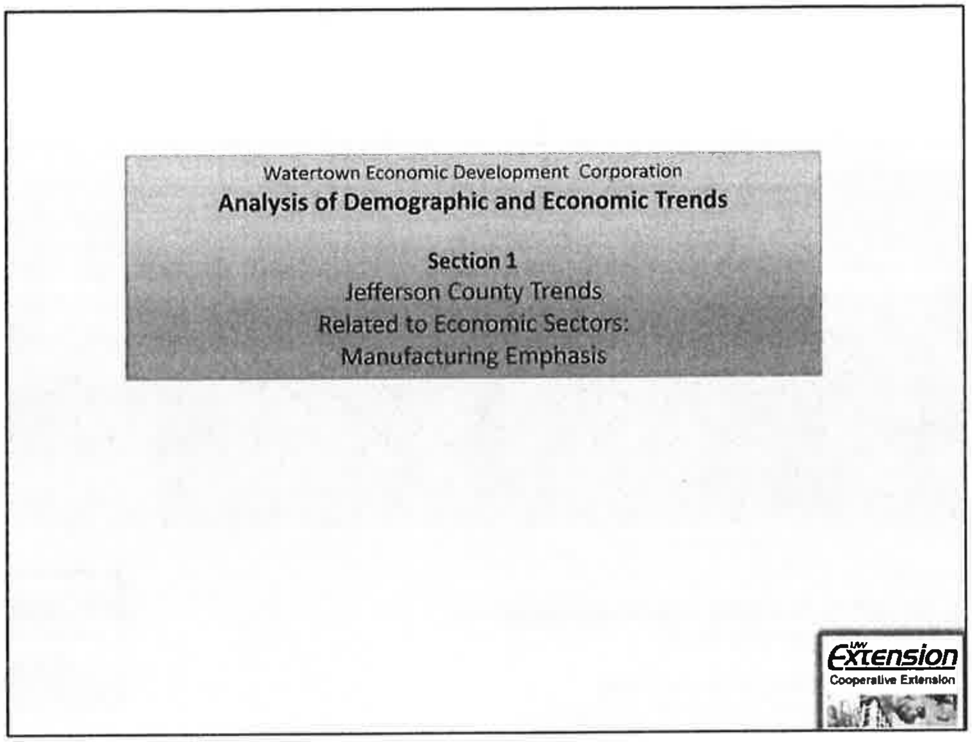
Steve Deller, Professor and Community Economic Development Specialist
UW-Madison/Extension

Dan Verhoff, Director
UW-Extension Applied Population Laboratory

Requested By:

Kim Erdman, Executive Director
Watertown Economic Development Corporation

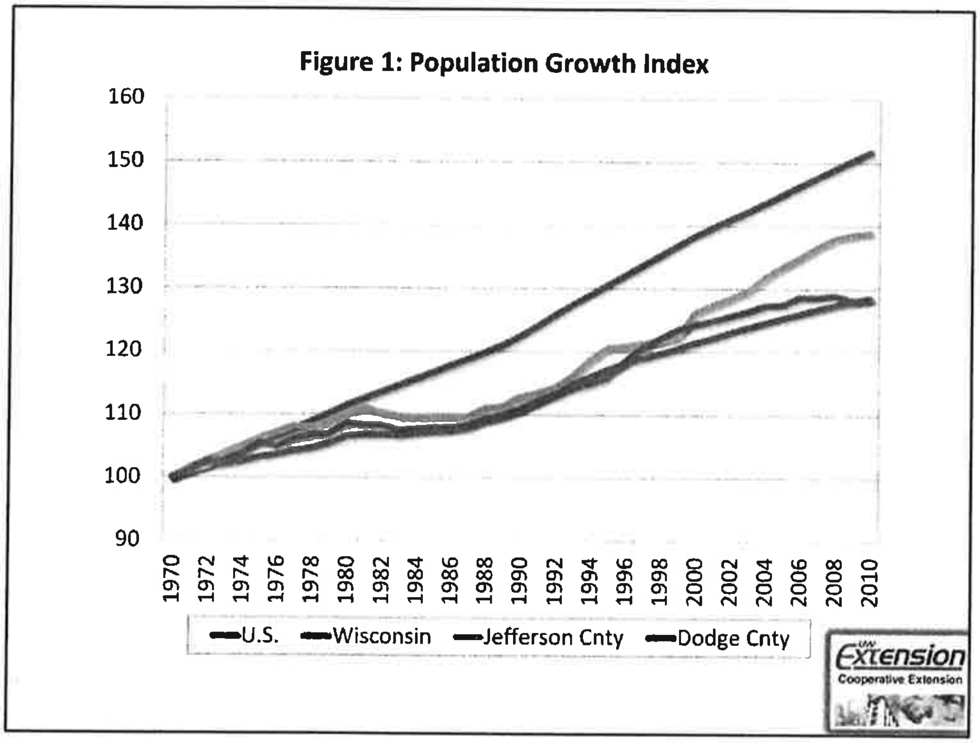
Draft
June 20, 2012



This section provides historical trends on key economic sectors with an emphasis on the manufacturing sector. This data is available at the County level so comparison trends are provided for Jefferson County, Dodge County, Wisconsin and the United States. Trend observations are provided for each of the twelve figures listed below.

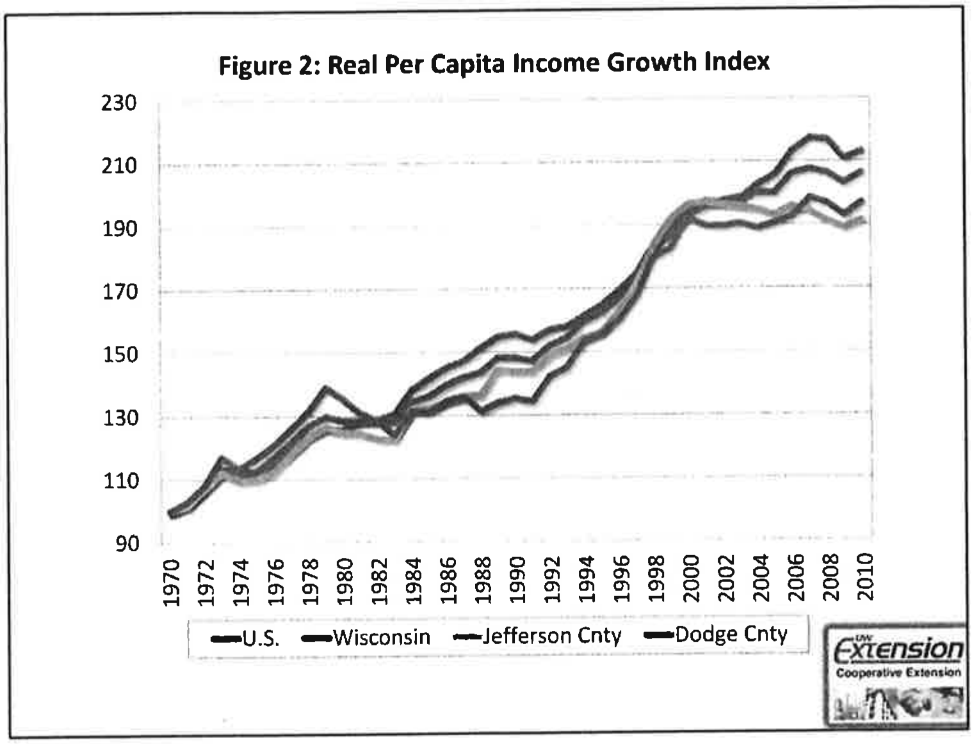
Figures 1 - 12	
1. Population Growth Index	7. Manufacturing Share of Employment
2. Real Per Capita Income Growth Index	8. Manufacturing Employment Growth Index
3. Per Capita Incomes as a Percent of US	9. Real Manufacturing Earnings per Job
4. Employment Growth Index	10. Manufacturing Location Quotient
5. Real Total Earnings Growth Index	11. Location Quotient "Cluster Analysis"
6. Real Earnings per Job	12. Jefferson County Cluster Analysis: Level One

Data Source: Woods and Poole, Inc. (Based on U.S. Department of Commerce, Bureau of Economic Analysis-Regional Economic Information System.)



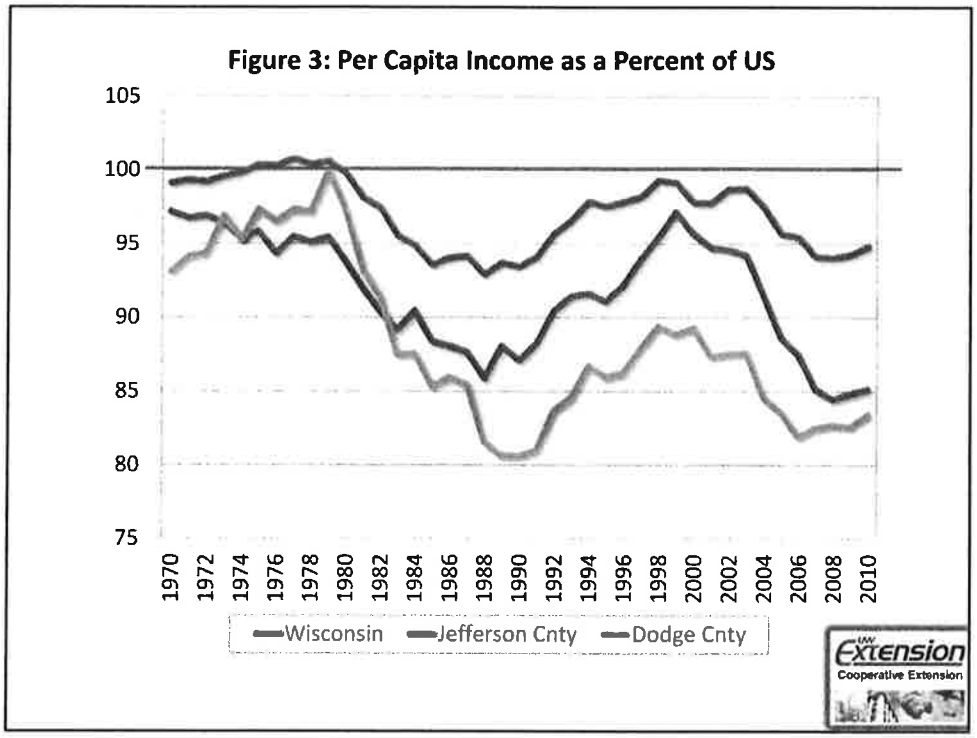
Trend Observations:

- Population trends affect the supply of workers and the demand for goods and services (markets).
- Population increases in Jefferson County (about 1% per year) have been steady and relatively strong indicating growth in market size.



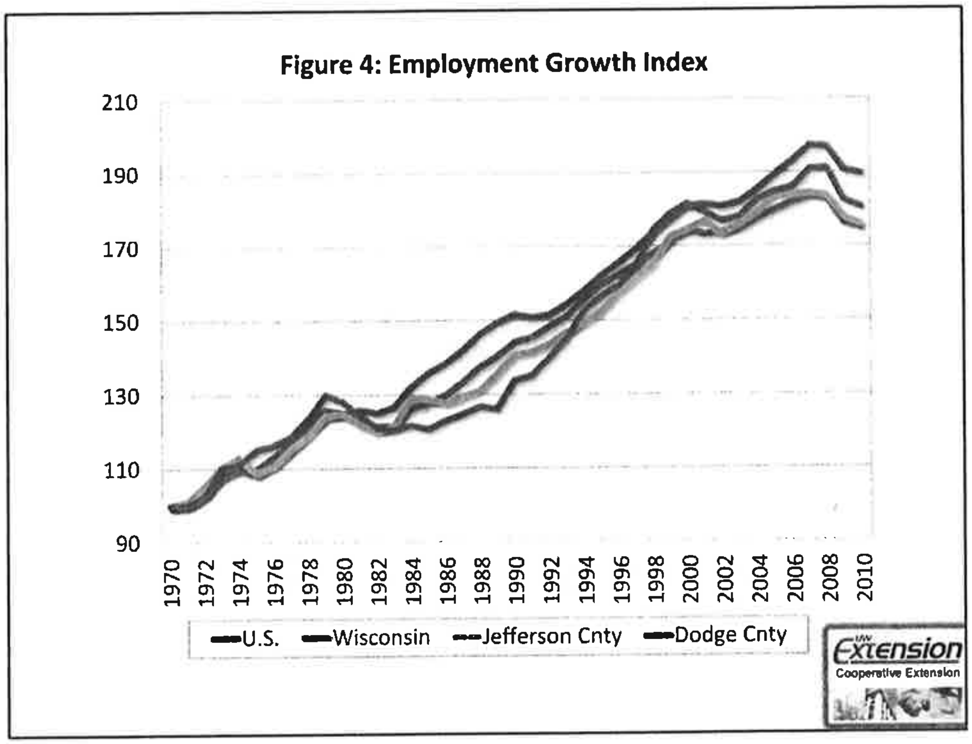
Trend Observations:

- Income is a major determinant of the consumers' "ability to pay and buy" within the market.
- Jefferson County has historically lagged behind both the nation and Wisconsin in per capita income.
- Figure 2 illustrates that Jefferson County has always been "hit hard" by economic downturns and recessions (early 1980's, around 1990, the early 2000's and the most recent serious recession.)



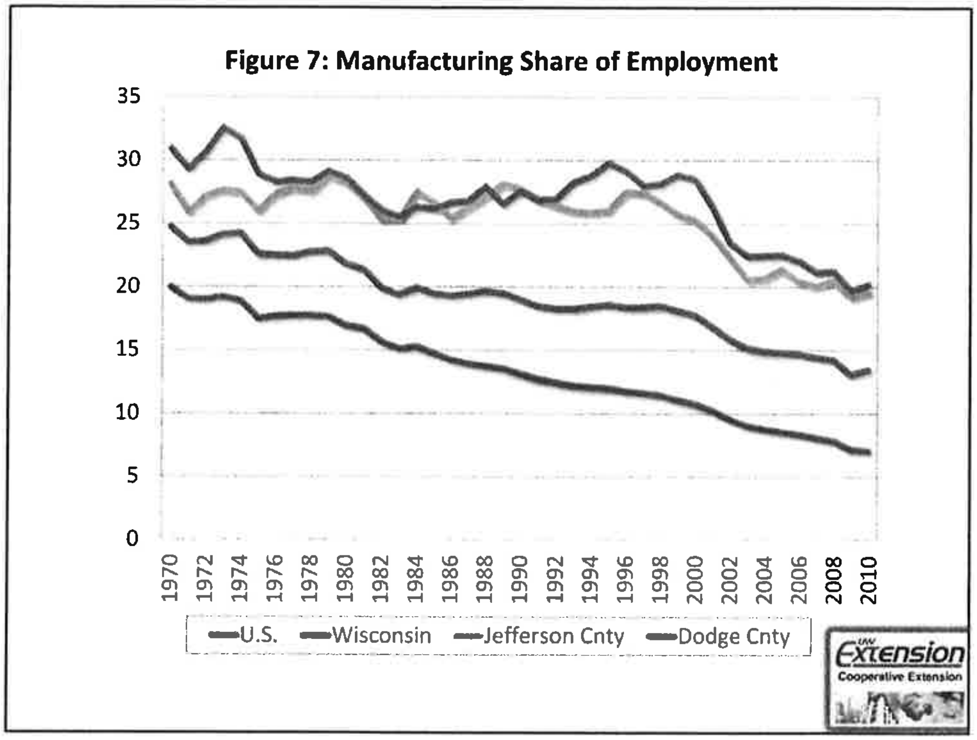
Trend Observations:

- ❖ Per capita income as a percent of the national average provides insights into market buying potential.
- ❖ Figure 3 reveals that there has been a widening of the income gap when comparing Jefferson County to both the nation and State so there are obvious concerns about these declining trends in buying power over the past 10 years.



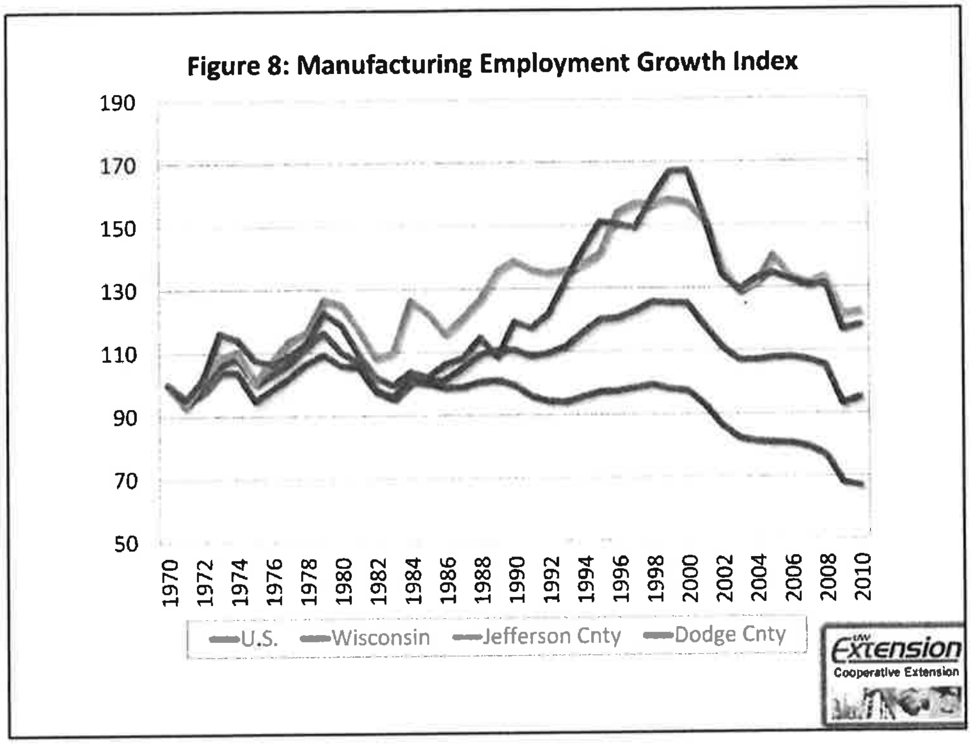
Trend Observations:

- Employment growth is an important measure of the economic condition.
- Jefferson County has generally tracked the growth in both the nation and Wisconsin (more closely with Wisconsin)
- Figure 4 also shows the affects of the economic downturns and recessions.
- All geographic areas have been hit hard by the recent serious recession; economic advisors suggest that other states/areas have experienced more "booms" in job growth and more "busts" as well, when compared to Jefferson County's relatively flat trend in job growth the last ten years.



Trend Observations:

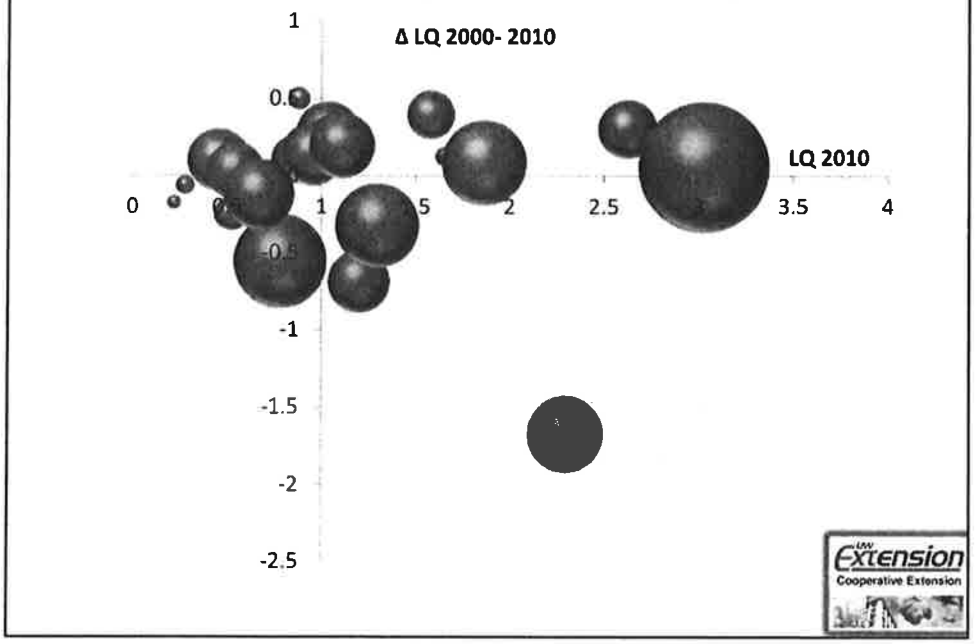
- Manufacturing is the largest single source of employment in Jefferson County accounting for approximately one-quarter of the jobs (sources vary on this from approximately 20%-26%).
- Following national trends, the level of jobs in manufacturing is declining (explained by growing global competition and increased use of capital equipment in manufacturing).
- Jefferson County's manufacturing employment has been consistently higher than manufacturing's share in both the nation and Wisconsin.
- Jefferson County lost several major employers in the early 2000's, but manufacturing has remained relatively stable since that time despite the serious recession.



Trend Observations:

- Jefferson County's growth rate in manufacturing has out-paced both the nation and the State since the early 1980's.
- Since 2000, Jefferson County's pattern of decline in manufacturing jobs is similar to the decline in the nation, Wisconsin and neighboring Dodge County.
- It appears that the economic recovery in manufacturing started in both Jefferson County and the State in 2009 while the nation's manufacturing was still in decline.

Figure 11: Location Quotient "Cluster Analysis"



Note: See Figure 12 (next page) for Trend Observations on the Location Quotient "Cluster Analysis".

Figure 12

Jefferson County Cluster Analysis: Level One

	LQ 2010	Change 2000 to 2010	Share of Employmen t
Strength and Growing			
Utilities	3.162	0.326	0.3
Manufacturing	3.029	0.054	19.5
Farm	2.626	0.302	3.9
State and Local Govt	1.865	0.082	8.3
Federal Military	1.659	0.123	0.5
Arts, Entertainment and Recreation	1.581	0.394	2.6
Other Service Except Govt	1.107	0.195	5.0
Information Serv	1.050	0.274	1.7
Construction	1.035	0.272	4.7
Strength and Declining			
Administration and Waste Services	2.299	-1.676	6.6
Health Care and Social Assistance	1.297	-0.323	8.1
Real Estate, Rental and Lease	1.200	-0.687	4.4
Weakness and Growing			
Management of Companies and Enterpri:	0.879	0.501	0.6
Finance and Insurance	0.953	0.140	4.6
Transportation and Warehousing	0.859	0.105	2.7
Wholesale Trade	0.454	0.101	4.4
Forestry, Fishing and Related	0.490	0.087	0.6
Professional and Technical Services	0.542	0.031	3.8
Weakness and Declining			
Federal Civilian	0.276	-0.061	0.4
Accommodation and Food Services	0.667	-0.121	5.7
Mining	0.218	-0.174	0.2
Educational Services	0.519	-0.247	1.3
Retail Trade	0.782	-0.554	10.0

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Trend Observations:

- As noted in earlier charts, the share of employment in manufacturing is declining for Jefferson County, but the location quotient is increasing.
- The above table shows that manufacturing is a "cluster" for Jefferson County, and it is a sector that is both strong (based on the location quotient measure) and is a growing sector relative to the nation and Wisconsin.
- The "Economic Vision" for Jefferson County and its individual communities is to have: A diverse mix of manufacturing industries recognizing our prominence in advanced manufacturing, food products, the service and health care sectors, while taking advantage of our proximity to knowledge and innovation centers.
- The "Economic Vision" also calls for: A continued foundation of long-time established businesses that value and are committed to their County and local community presence.
- This approved "Economic Vision" suggests that there is a need to continue strategies that build on area assets where "strengths" are shown in this cluster analysis figure (manufacturing, health care, agricultural-related enterprise).
- This approved "Economic Vision" would also suggest a need to keep an eye on "growing" sectors which have proximity advantage for knowledge and innovation industries shown on the table (professional and technical services).

Watertown Economic Development Corporation

Analysis of Demographic and Economic Trends

Section 2

Watertown's Demographics Analysis and Implications for Economic Development

Age Structure (See Table 1)

- Overall, Watertown is relatively young (Median age 35.7) and has had large increases in population of children (ages 0-9).
- Still, some Baby Boom cohorts (50-64 years) had the largest increases between 2000 and 2010. Significant for labor force and economic development because many in those age groups will be exiting the work force in the next 10-15 years
- Younger working age groups (30-44) declined. In combination with above, may raise some concerns about labor force shortages
- Significant growth in the 0 to 9 age group (possibly explained by children of the "echo-baby boom"/children of Baby-Boomers and in-migration of Latino residents). To assure a strong labor force in the long-term, it is important to establish a strong educational foundation and meet child care needs.

Educational Attainment (See Tables 2 and 3)

- Educational attainment levels are increasing over time everywhere across the state.
- Overall, Watertown lags slightly behind the county and state in terms of people with post-high school education.

Employment Status (See Table 4)

- Watertown has higher rates of unemployment across most age groups (except 55 to 64 year olds) than the county or the state.
    - However, Watertown also has higher labor force participation rates in all age groups except among the youngest and the oldest. This signals that it has an engaged and active labor force – a particularly interesting asset or opportunity among younger workers. This may also indicate a good work ethic.

Place of Work and Commuting (See Table 5 and Charts 1,2,3)

- According to American Community Survey data, almost half of Watertown's employed population works in Watertown – a much, much higher rate of "working locally" than for the county or the state (49 % of residents work in Watertown compared to only 26% in the county and 34% in the state who work in the place of residence).- Table 5
- Indicates a productive relationship between Watertown's residents and local employers; may also indicate something about the quality (type, wage) of jobs.

- The worker inflow/outflow chart (Chart 1) indicates a somewhat higher "outflow" of workers who live in Watertown but have jobs in other communities:
    - 6,891 Watertown residents work elsewhere (commute out).
    - 5,385 Watertown workers live elsewhere (commute in).
    - 3,653 Watertown residents both work and live in Watertown (no commute).
- Workers who commute into Watertown for work come from a wide geographic area but relatively large numbers from nearby communities with easy access via Hwy 26, Hwy 19, Hwy 16 and I-94. It is further assumed that a significant number of the workers who commute into Watertown live in nearby unincorporated towns. (Chart 2)
- Many workers who commute away from Watertown for work are going longer distances into Waukesha County, Milwaukee, and Madison. Could represent an opportunity to "capture" more of the local labor force through creation of quality, stable jobs. (Chart 3)

Occupations and Industry Sectors (See Tables 6, 7)

- Sales and Office Occupations is the top occupation category in Watertown as it is for both the county and the state (24%, 23%, 24%, respectively). Watertown is higher than both the county and the state for Production Occupations and Service Occupations (16%, 13%, 10%, respectively). Conversely, it is significantly lower than the county and state on workers in Management Occupations (7%, 11%, 14%, respectively). This may reflect the fact that the high percentage of production-type jobs in Watertown need less managers (instead the companies have lead workers/lead persons).- Table 6
- Almost a quarter of jobs are in Manufacturing (24%) while another quarter are in Educational Services, Health Care and Social Assistance (24%). Watertown has a greater proportion of jobs in manufacturing than the county and state as a whole (22% and 18%, respectively).- Table 7
- Overall, almost half of jobs in industry sectors are oriented towards providing services. (45%)

For Supporting Information See Tables 1-7 and Charts 1-3.

Primary Source of Data and Analysis: Dan Verhoff, UW Extension, Applied Population Laboratory, 2012. Additional input provided by Steve Grabow, UW Extension, Jefferson County Office; and Dennis Heling, Jefferson County Economic Development Consortium.

Watertown's Demographics Analysis
and Implications for Economic Development

Supporting Tables and Charts

Table 1
Population by Age. 2000 & 2010
City of Watertown, Jefferson County, Dodge County and Wisconsin

	City of Watertown				Dodge County				Jefferson County				State of Wisconsin			
Age Group	**2000**	**2010**	**Change**	**% Change**	**2000**	**2010**	**Change**	**% Change**	**2000**	**2010**	**Change**	**% Change**	**2000**	**2010**	**Change**	**% Change**
0 - 4	1,460	1,696	236	16.2%	5,098	5,020	-78	-1.5%	4,695	5,235	540	11.5%	342,340	358,443	16,103	4.7%
5 - 9	1,481	1,656	175	11.8%	5,616	5,390	-226	-4.0%	5,022	5,590	568	11.3%	379,484	368,617	-10,867	-2.9%
10 - 14	1,654	1,582	-72	-4.4%	6,479	5,596	-883	-13.6%	5,553	5,537	-16	-0.3%	403,074	375,927	-27,147	-6.7%
15 - 19	1,733	1,982	249	14.4%	6,309	5,537	-772	-12.2%	5,414	6,648	1,234	22.8%	407,195	399,209	-7,986	-2.0%
20 - 24	1,507	1,703	196	13.0%	4,865	4,867	2	0.0%	4,278	5,436	1,158	27.1%	357,292	386,552	29,260	8.2%
25 - 29	1,444	1,570	126	8.7%	5,393	5,851	458	8.5%	4,688	4,944	256	5.5%	333,913	372,347	38,434	11.5%
30 - 34	1,604	1,549	-55	-3.4%	6,353	5,581	-772	-12.2%	5,354	5,130	-224	-4.2%	372,255	349,347	-22,908	-6.2%
35 - 39	1,664	1,438	-226	-13.6%	7,465	5,649	-1,816	-24.3%	6,318	5,374	-944	-14.9%	435,255	345,328	-89,927	-20.7%
40 - 44	1,686	1,512	-174	-10.3%	7,553	6,502	-1,051	-13.9%	6,139	5,682	-457	-7.4%	440,267	380,338	-59,929	-13.6%
45 - 49	1,390	1,637	247	17.8%	6,328	7,456	1,128	17.8%	5,640	6,501	861	15.3%	397,693	437,627	39,934	10.0%
50 - 54	1,175	1,592	417	35.5%	5,013	7,374	2,361	47.1%	4,789	6,246	1,457	30.4%	334,613	436,126	101,513	30.3%
55 - 59	870	1,310	440	50.6%	3,958	5,994	2,036	51.4%	3,702	5,650	1,948	52.6%	252,742	385,986	133,244	52.7%
60 - 64	750	1,171	421	56.1%	3,481	4,691	1,210	34.8%	3,070	4,671	1,601	52.1%	204,999	313,825	108,826	53.1%
65 - 69	674	785	111	16.5%	2,973	3,555	582	19.6%	2,444	3,435	991	40.5%	182,119	227,029	44,910	24.7%
70 - 74	678	701	23	3.4%	2,839	3,016	177	6.2%	2,308	2,668	360	15.6%	173,188	173,467	279	0.2%
75 - 79	682	657	-25	-3.7%	2,496	2,442	-54	-2.2%	1,994	1,926	-68	-3.4%	146,675	141,252	-5,423	-3.7%
80 - 84	563	585	22	3.9%	1,868	2,014	146	7.8%	1,372	1,515	143	10.4%	104,946	117,061	12,115	11.5%
85 & Over	583	735	152	26.1%	1,810	2,224	414	22.9%	1,241	1,498	257	20.7%	95,625	118,505	22,880	23.9%
Totals	21,598	23,861	2,263	10.5%	85,897	88,759	2,862	3.3%	74,021	83,686	9,665	13.1%	5,363,675	5,686,986	323,311	6.0%
Median Age	34.7	35.7	1.0		37.0	40.7	3.7		36.6	38.2	1.6		36.0	38.5	2.5	
School Age (5 to 19)	4,868	5,220	352	7.2%	18,404	16,523	-1,881	-10.2%	15,989	17,775	1,786	11.2%	1,189,753	1,143,753	-46,000	-3.9%
Working Age (20 to 64)	12,090	13,482	1,392	11.5%	50,409	53,965	3,556	7.1%	43,978	49,634	5,656	12.9%	3,129,029	3,407,476	278,447	8.9%
Seniors (65 and over)	3,180	3,463	283	8.9%	11,986	13,251	1,265	10.6%	9,359	11,042	1,683	18.0%	702,553	777,314	74,761	10.6%
Oldest Old (85 and over)	583	735	152	26.1%	1,810	2,224	414	22.9%	1,241	1,498	257	20.7%	95,625	118,505	22,880	23.9%

Prepared by The Applied Population Laboratory, UW-Madison/Extension

Sources: 2000 Census of Population and Housing, 2010 Census of Population and Housing Demographic Profile

Table 2
Educational Attainment by Age For The Population 18 Years And Over
2008-2010 American Community Survey 3-Year Estimates

	Watertown city		Jefferson County		Wisconsin	
	Estimate	Percent of Total	Estimate	Percent of Total	Estimate	Percent of Total
Total	**17,605**		**63,552**		**4,326,576**	
18 to 24 years	2,624	14.9%	8,650	13.6%	553,040	12.8%
Less than high school graduate	412	2.3%	940	1.5%	72,253	1.7%
High school graduate, GED, or alternative	914	5.2%	3,111	4.9%	178,173	4.1%
Some college or associate's degree	1,044	5.9%	3,941	6.2%	253,238	5.9%
Bachelor's degree or higher	254	1.4%	658	1.0%	49,376	1.1%
25 to 34 years	2,955	16.8%	10,249	16.1%	711,031	16.4%
Less than high school graduate	158	0.9%	949	1.5%	63,982	1.5%
High school graduate, GED, or alternative	943	5.4%	3,135	4.9%	187,581	4.3%
Some college or associate's degree	1,082	6.1%	3,216	5.1%	248,066	5.7%
Bachelor's degree or higher	772	4.4%	2,949	4.6%	211,402	4.9%
35 to 44 years	3,371	19.1%	11,109	17.5%	743,551	17.2%
Less than high school graduate	288	1.6%	795	1.3%	59,494	1.4%
High school graduate, GED, or alternative	1,068	6.1%	3,424	5.4%	210,531	4.9%
Some college or associate's degree	1,067	6.1%	4,050	6.4%	246,343	5.7%
Bachelor's degree or higher	948	5.4%	2,840	4.5%	227,183	5.3%
45 to 64 years	5,334	30.3%	22,589	35.5%	1,551,504	35.9%
Less than high school graduate	393	2.2%	1,566	2.5%	114,987	2.7%
High school graduate, GED, or alternative	2,102	11.9%	8,348	13.1%	537,369	12.4%
Some college or associate's degree	1,640	9.3%	7,328	11.5%	496,094	11.5%
Bachelor's degree or higher	1,199	6.8%	5,347	8.4%	403,054	9.3%
65 years and over	3,321	18.9%	10,955	17.2%	767,450	17.7%
Less than high school graduate	841	4.8%	2,168	3.4%	147,173	3.4%
High school graduate, GED, or alternative	1,518	8.6%	4,846	7.6%	334,542	7.7%
Some college or associate's degree	492	2.8%	2,122	3.3%	150,841	3.5%
Bachelor's degree or higher	470	2.7%	1,819	2.9%	134,894	3.1%

Prepared by the Applied Population Laboratory UW-Madison/Extension

Source: American Community Survey 2008-2010 3-year estimates

*All American Community Survey estimates are presented with their margins of error. The margin of error represents the degree of uncertainty for an estimate arising from sampling variability. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value.

Table 3
Educational Attainment For The Population 18 Years And Over
2008-2010 American Community Survey 3-Year Estimates

	Watertown city		Jefferson County		Wisconsin	
	Estimate	Percent of Total	Estimate	Percent of Total	Estimate	Percent of Total
Total	**17,605**		**63,552**		**4,326,576**	
Less than high school graduate	2,092	11.9%	6,418	10.1%	457,889	10.6%
High school graduate, GED, or alternative	6,545	37.2%	22,864	36.0%	1,448,196	33.5%
Some college or associate's degree	5,325	30.2%	20,657	32.5%	1,394,562	32.2%
Bachelor's degree or higher	3,643	20.7%	13,613	21.4%	1,025,909	23.7%

Prepared by the Applied Population Laboratory, UW-Madison/Extension

Source: American Community Survey 2008-2010 3-year estimates

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Table 4

Age By Employment Status For The Population 16 Years And Over

2008-2010 American Community Survey 3-Year Estimates

	Watertown city		Jefferson County		Wisconsin	
	Estimate	Percent of Total	Estimate	Percent of Total	Estimate	Percent of Total
Total	**18,238**		**65,806**		**4,488,361**	
Total Civilian Labor Force	10,349		35,558		2,339,455	
16 to 19 years	1,389	7.6%	5,402	8.2%	326,656	7.3%
Civilian Labor Force	733	7.1%	3,177	8.9%	170,375	7.3%
Employed	571		2,649		140,146	
Unemployed	162		528		30,229	
Unemployment rate	22.1%		16.6%		17.7%	
Not in labor force	656		2,225		156,173	
Labor Force Participation Rate	52.8%		58.8%		52.2%	
20 to 24 years	1,868	10.2%	5,502	8.4%	388,169	8.6%
Civilian Labor Force	1,642	15.9%	4,518	12.7%	317,123	13.6%
Employed	1,298		4,014		280,827	
Unemployed	344		504		36,296	
Unemployment rate	21.0%		11.2%		11.4%	
Not in labor force	226		964		69,988	
Labor Force Participation Rate	87.9%		82.4%		81.9%	
25 to 44 years	6,326	34.7%	21,358	32.5%	1,454,582	32.4%
Civilian Labor Force	5,634	54.4%	18,865	53.1%	1,266,001	54.1%
Employed	5,152		17,406		1,181,426	
Unemployed	482		1459		84,575	
Unemployment rate	8.6%		7.7%		6.7%	
Not in labor force	674		2,454		185,557	
Labor Force Participation Rate	89.3%		88.5%		87.2%	
45 to 54 years	2,907	15.9%	12,640	19.2%	873,415	19.5%
Civilian Labor Force	2,720	26.3%	11,450	32.2%	755,711	32.3%
Employed	2,506		10,692		711,806	
Unemployed	214		758		43,905	
Unemployment rate	7.9%		6.6%		5.8%	
Not in labor force	187		1,184		117,126	
Labor Force Participation Rate	93.6%		90.6%		86.6%	
55 to 64 years	2,427	13.3%	9,949	15.1%	678,089	15.1%
Civilian Labor Force	1,904	18.4%	7,203	20.3%	469,316	20.1%
Employed	1,811		6,831		442,871	
Unemployed	93		372		26,445	
Unemployment rate	4.9%		5.2%		5.6%	
Not in labor force	523		2,746		208,699	
Labor Force Participation Rate	78.5%		72.4%		69.2%	
65 years and over	3,321	18.2%	10,955	16.6%	767,450	17.1%
Civilian Labor Force	436	4.2%	1,795	5.0%	116,640	5.0%
Employed	388		1,734		110,544	
Unemployed	48		61		6,096	
Unemployment rate	11.0%		3.4%		5.2%	
Not in labor force	2,885		9,160		650,810	
Labor Force Participation Rate	13.1%		16.4%		15.2%	

Prepared by the Applied Population Laboratory, UW-Madison/Extension

Source: American Community Survey 2008-2010 3-year estimates

*All American Community Survey estimates are presented with their margins of error. The margin of error represents the degree of uncertainty for an estimate arising from sampling variability. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value.

Table 5
Place of Work For The Civilian Employed Population 16 Years And Over
2008-2010 American Community Survey 3-Year Estimates

	Watertown city		Jefferson County		Wisconsin	
	Estimate	Percent of Total	Estimate	Percent of Total	Estimate	Percent of Total
Total Employed	11,611		42,384		2,817,857	
Worked in municipality of residence	5,670	48.8%	11,074	26.1%	948,287	33.7%
Worked outside of municipality of residence	5,941	51.2%	31,310	73.9%	1,869,570	66.3%

Prepared by the Applied Population Laboratory, UW-Madison/Extension

Source: American Community Survey 2008-2010 3-year estimates

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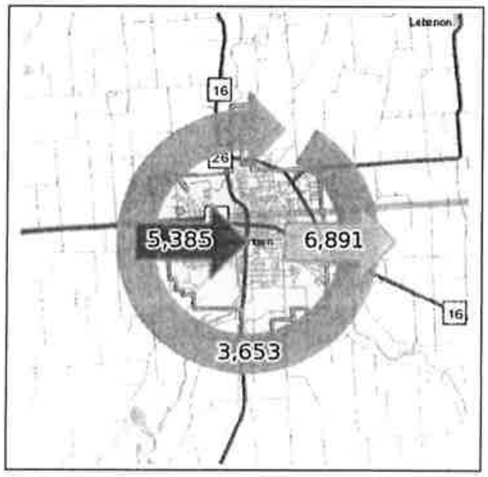
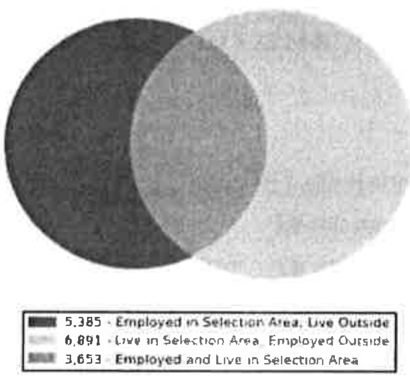
Selection Area = City of Watertown

Chart 1

Inflow/Outflow Report



Inflow/Outflow Job Counts in 2009



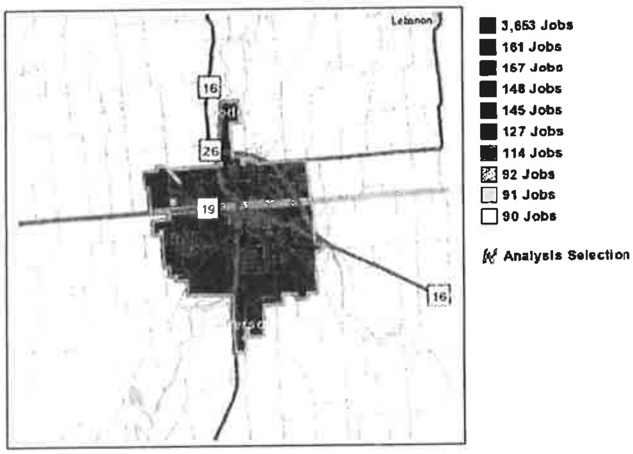
Inflow/Outflow Job Counts (Primary Jobs)

	2009	
	Count	**Share**
Employed in the Selection Area	9,038	100.0%
Employed in the Selection Area but Living Outside	5,385	59.6%
Employed and Living in the Selection Area	3,653	40.4%
Living in the Selection Area	10,544	100.0%
Living in the Selection Area but Employed Outside	6,891	65.4%
Living and Employed in the Selection Area	3,653	34.6%

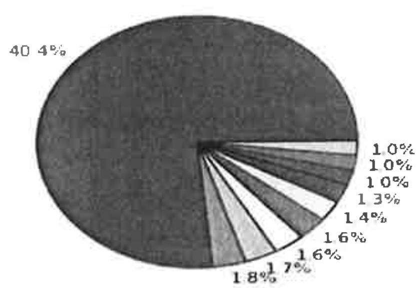
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics
(Beginning of Quarter Employment, 2nd Quarter of 2002-2010).
Notes:
1. Race, Ethnicity, Educational Attainment, and Sex statistics are beta release results and only available for 2009 and 2010 data.
2. Educational Attainment is only produced for workers aged 30 and over.

Selection Area = City of Watertown

Chart 2
Home Destination Report - Where Workers Live Who are Employed in the Selection Area - by Places (Cities, CDPs, etc.)



Job Counts by Home Places (Cities, CDPs, etc.) in 2009
All Workers



Note: Jobs in All Other Locations (47.1%) are not shown in chart

Jobs Counts by Places (Cities, CDPs, etc.) Where Workers Live - Primary Jobs

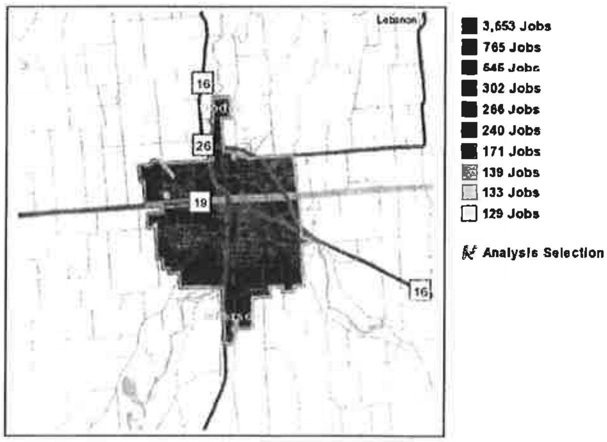
	2009	
	Count	Share
All Places (Cities, CDPs, etc.)	9,038	100.0%
Watertown city, WI	3,653	40.4%
Milwaukee city, WI	161	1.8%
Jefferson city, WI	157	1.7%
Waterloo city, WI	148	1.6%
Oconomowoc city, WI	145	1.6%
Fort Atkinson city, WI	127	1.4%
Beaver Dam city, WI	114	1.3%
Madison city, WI	92	1.0%
Johnson Creek village, WI	91	1.0%
Lake Mills city, WI	90	1.0%
All Other Locations	4,260	47.1%

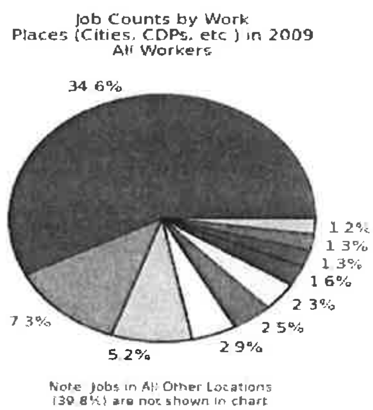
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics
(Beginning of Quarter Employment, 2nd Quarter of 2002-2010)
Notes:
1. Race, Ethnicity, Educational Attainment, and Sex statistics are beta release results and only available for 2009 and 2010 data.
2. Educational Attainment is only produced for workers aged 30 and over.

Selection Area = City of Watertown

Chart 3

Work Destination Report - Where Workers are Employed Who Live in the Selection Area - by Places (Cities, CDPs, etc.)





Jobs Counts by Places (Cities, CDPs, etc.) Where Workers are Employed - Primary Jobs

	2009	
	Count	Share
All Places (Cities, CDPs, etc.)	10,544	100.0%
Watertown city, WI	3,653	34.6%
Oconomowoc city, WI	765	7.3%
Madison city, WI	545	5.2%
Milwaukee city, WI	302	2.9%
Waukesha city, WI	266	2.5%
Jefferson city, WI	240	2.3%
Fort Atkinson city, WI	171	1.6%
Ixonia CDP, WI	139	1.3%
Waterloo city, WI	133	1.3%
Brookfield city, WI	129	1.2%
All Other Locations	4,201	39.8%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics
(Beginning of Quarter Employment, 2nd Quarter of 2002-2010)
Notes:
1. Race, Ethnicity, Educational Attainment, and Sex statistics are beta release results and only available for 2009 and 2010 data.
2. Educational Attainment is only produced for workers aged 30 and over.

Table 6
Occupations For The Civilian Employed Population 16 Years And Over
2008-2010 American Community Survey 3-Year Estimates

	Watertown city		Jefferson County		Wisconsin	
	Estimate	Percent of Total	Estimate	Percent of Total	Estimate	Percent of Total
Total	**11,726**		**43,326**		**2,867,620**	
Management, business, and financial occupations	833	7.1%	4,773	11.0%	388,378	13.5%
Computer, engineering, and science occupations	539	4.6%	1,783	4.1%	136,514	4.8%
Education, legal, community service, arts, and media occupations	1,047	8.9%	3,708	8.6%	272,958	9.5%
Healthcare practitioners and technical occupations	538	4.6%	2,343	5.4%	156,162	5.4%
Service occupations	2,248	19.2%	7,562	17.5%	470,931	16.4%
Sales and office occupations	2,854	24.3%	10,133	23.4%	696,058	24.3%
Farming, fishing, and forestry occupations	123	1.0%	608	1.4%	29,873	1.0%
Construction and extraction occupations	645	5.5%	2,151	5.0%	132,432	4.6%
Installation, maintenance, and repair occupations	324	2.8%	1,478	3.4%	95,888	3.3%
Production occupations	1,867	15.9%	5,723	13.2%	290,974	10.1%
Transportation occupations	384	3.3%	1,464	3.4%	102,608	3.6%
Material moving occupations	324	2.8%	1,600	3.7%	94,844	3.3%

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Source: American Community Survey 2008-2010 3-year estimates

Table 7

Industry Sector For The Civilian Employed Population 16 Years And Over

2008-2010 American Community Survey 3-Year Estimates

	Watertown city		Jefferson County		Wisconsin	
	Estimate	Percent of Total	Estimate	Percent of Total	Estimate	Percent of Total
Total	**11,726**		**43,326**		**2,867,620**	
Agriculture, forestry, fishing and hunting, and mining	134	1.1%	1154	2.7%	70,276	2.5%
Construction	750	6.4%	2860	6.6%	165,328	5.8%
Manufacturing	2,830	24.1%	9,597	22.2%	524,384	18.3%
Wholesale trade	243	2.1%	1394	3.2%	82,901	2.9%
Retail trade	1426	12.2%	5,040	11.6%	331,088	11.5%
Transportation and warehousing, and utilities	420	3.6%	1733	4.0%	131,379	4.6%
Information	114	1.0%	616	1.4%	54,259	1.9%
Finance and insurance, and real estate and rental and leasing	370	3.2%	2,047	4.7%	178,794	6.2%
Professional, scientific, and management, and administrative and waste management services	706	6.0%	3,167	7.3%	224,336	7.8%
Educational services, and health care and social assistance	2,906	24.8%	9,236	21.3%	644,080	22.5%
Arts, entertainment, and recreation, and accommodation and food services	944	8.1%	3,279	7.6%	242,963	8.5%
Other services, except public administration	710	6.1%	1724	4.0%	117,337	4.1%
Public administration	173	1.5%	1479	3.4%	100,495	3.5%

Prepared by the Applied Population Laboratory, UW-Madison/Extension

Source: American Community Survey 2008-2010 3-year estimates

*All American Community Survey estimates are presented with their margins of error. The margin of error represents the degree of uncertainty for an estimate arising from sampling variability. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value.

Watertown Economic Development Corporation

Analysis of Demographic and Economic Trends

Section 3
Connecting Trends in Manufacturing to the Local Manufacturing Condition: Helping to Determine Local Advantage

Review of Key Message Points from the Cluster Analysis (from Section 1)

- Manufacturing in Jefferson County is the single largest source of employment in Jefferson County (See Figure 7).
- Manufacturing's share of employment has slowly declined since 1970 (See Figure 7).
- Manufacturing jobs in Jefferson County are declining since 2000 (See Figure 8).
- Manufacturing earnings per job in Jefferson County is relatively high compared to other industry sectors and is steadily growing (See Figure 9).
- Manufacturing's "Location Quotient" (or measure of specialization) is steadily growing in Jefferson County, and the location quotient is outpacing both the nation and Wisconsin (See Figure 10).
- In essence, several indicators for manufacturing (share of employment and job numbers) are decreasing in Jefferson County, but this decline is less than in both the nation and Wisconsin---thus, the manufacturing location quotient is increasing (See Figures 10, 11 and 12).
- Summary Message Points on Manufacturing in Jefferson County:
    1. Manufacturing is a strength.
    2. Manufacturing is a cluster of specialization.
    3. Manufacturing is growing locally relative to the nation and Wisconsin.
    4. Manufacturing is a priority for attention and emphasis in the Jefferson County "Economic Vision"; this priority has been reaffirmed locally in Watertown.

Context on Changes in Manufacturing: Key Concepts from UW Extension Community Development Economist

<u>Reasons for Decline in Manufacturing</u>

- Manufacturing remains a major source of employment in Jefferson and Dodge counties, but following a national trend, the level of importance is declining.
- The two primary reasons for the decline in manufacturing are:
    1. Growing competition from lower cost of production regions overseas (e.g. China)
    2. Increased use of capital (technology, robotics, etc.) at the cost of labor.

The Nature of Modern Manufacturing

- In determining the type of manufacturing most likely to contribute to stronger local economic development, economic advisors group manufacturing into two broad categories:
    - Commodity Manufacturing
    - Product Manufacturing
- Manufacturers of commodities have several defining characteristics, including: a) very low profit margins, b) interest in locations that offer cheap land, cheap labor, available lower skill labor, low taxes and few regulations, c) more likely to relocate operations overseas, and are not likely to return.
- Manufacturers of products also have certain characteristics, including: a) make products that can be differentiated or branded, b) interest in skilled labor that is flexible and can adapt to changing markets, c) more likely to invest in the newest, labor saving technology, d) more likely to experience increases in manufacturing output (sales) with lower levels of employment, e) increased interest in remaining in the U.S. (and hopefully remain local) or interest in returning to the U.S.
- Manufacturers of products from the U.S. (and local manufacturers) can compete very effectively in the products market, but U.S. manufacturers of commodities cannot compete effectively in the commodity markets. Note: food processing manufacturing does not fit into the dichotomy of product vs. commodity, but is considered an opportunity for Wisconsin and this local region.
- Modern manufacturing and especially the category of product manufacturing is changing rapidly, and the associated jobs require a higher level skill sets.
- While product manufacturing jobs might be labeled "good manufacturing jobs", those interested in economic development need to understand that these high quality manufacturers are <u>not</u> necessarily large "job creators".
- Summary message points on the context and changes in manufacturing:
    - Product manufacturing is more closely aligned with a higher skilled work force (and higher paying jobs).
    - Product manufacturing is an area of promise for both retaining a local manufacturing presence and possibly attracting work back to the U.S. and local manufacturing plants.
    - A successful, long-term manufacturing economy cannot just simply be measured by the "number of new jobs created"; modern manufacturing is more complicated and requires and understanding about the nature of "good manufacturing jobs".
    - A summary of the changing nature of manufacturing with the distinctions between product and commodity manufacturing is shown on Chart 4 (See Chart 4)

Chart 4

Positioning the Local Area for Manufacturing Strength:
Characteristics of Product vs. Commodity Manufacturing

Possible High Emphasis:

Product Manufacturing (Modern Manufacturing/Advanced Manufacturing)

A. Product Differentiation (Uniqueness/Specialty - Location Quotient: Table 8)
B. Higher Labor Skills (Higher Income Per Job: Table 9)
C. Higher Levels of Output (Higher Sales Output Per Job: Table 10)
D. More Likely to Compete and Remain (Likely to Remain or Come Back - Employment: Table 11)
E. More Likely to Invest in New, Labor Saving Technology
F. Flexibility and Adaptability to Changing Markets

Possible Lower Emphasis:

Commodity Manufacturing (Lower Skilled and Lower Profit Margin Manufacturing)

A. Lower Labor Skills (Lower Income Per Job: Table 12/Lower Rankings from Table 9)
B. Low Profit Margins
C. Interest in Locations with Cheap Land, Cheap Labor, Low Taxes, Few Regulations
D. More Likely to Relocate Operations Overseas

Observations:

- The summary characteristics of both product manufacturing and commodity manufacturing are described in Chart 4.
- This table suggests that Watertown, Jefferson County and this local area could position itself for manufacturing strength by placing a high emphasis on this type of manufacturing.
- For some of the characteristics, UW Extension has identified data sources that may help to inform and illustrate types of manufacturing industries that have these particular characteristics. These could be called surrogate indicators. Characteristics that are illustrated by data include:
    - Table 8 Location Quotient-Provides the rank order of the measure of relative specialization of the local economy in for 60 sectors (these 60 manufacturers all exhibit a measure of over 1.0 which signifies some specialization).
    - Table 9 Labor Income Per Job-Provides the rank order of labor income per job for 60 sectors.
    - Table 10 Output Per Job-Provides the rank order of the output or business sales per job for 60 sectors.
    - Table 11 Employment-Provides the rank order of employment based on the number of jobs for 60 sectors.
    - Table 12 Labor Income Per Job (Lower Income Per Job)-Provides the rank order of labor income per job starting with the lowest income manufacturing sector.

    Note: Overview observations are provided in the next section for each table.

Analysis of Manufacturing Strengths

Table 8 Location Quotient (LQ)-Provides the rank order of the measure of relative specialization of the local economy in for 60 sectors (these 60 manufacturers all exhibit a measure of over 1.0 which signifies some local specialization).

Observations:

- A high percentage of manufacturers in Jefferson County (60 of the 78 identified) have location quotients above 1.0 signifying that we have more of a presence of those manufacturers than would be expected.
- The highest LQ is for bicycles and parts with 256, with several other recognizable strong LQs as follows:
  - Motor and generators-LQ 89
  - Wood television cabinets-LQ 46
  - Mattress-LQ 40
  - Dog and cat foods-LQ 35
  - Metal can, box and other metal container-LQ 26
- Other manufacturers with Locational Quotients among the top 10 include: Flour milling and malt (LQ 22), boat building (LQ 21), animal slaughtering and processing (LQ 18) and nonupholstered wood household furniture (LQ 18). Five food processing manufacturers are ranked in the top 20.

Note: UW Extension has used data for year-end 2010; significant changes for some sectors have occurred subsequent to compiling these tables.

Table 9 Labor Income Per Job-Provides the rank order of labor income per job for 60 sectors.

Observations:

- The reported earnings per job ranking for the top 60 manufacturers range from #1 Soap and Cleaning Compound ($187,800 income per job) to #60 Ready Mix Concrete ($44,600 income per job).
- Other high income per job manufacturers include:
  - Breweries-$156,600
  - Relay and industrial controls-$132,700
  - Pharmaceutical preparation-$105,138
  - Lawn and garden equipment-$94,700
  - Soft drink and ice-$90,400
- Other manufacturers in the top 10 include: Industrial process and oven ($86,000), bicycles and parts ($83,400), adhesives ($81,900) and rolling mill and other metalworking machinery ($81,500).

Table 10 Output Per Job-Provides the rank order of the output or business sales per job for 60 sectors.

Observations:

- The output or business sales per job were ranked and ranged from #1 Soap and Cleaning Compound ($1,589,000 output/sales per job) to #60 Turned Product and Screw, Nut and Bolt ($191,200 output/sales per job).
- Other high output or sales per job include:
  - Flour milling and malt-$1,262,000
  - Other animal food-$1,212,000
  - Dog and cat food-$1,201,000
  - Plastics material and resin-$1,159,000
  - Other basic organic chemicals-$1,153,000

- Other manufacturers in the top 10 include: Pharmaceutical preparation ($1,075,000), breweries ($947,000), soft drink and ice ($731,000) and bicycles and parts ($640,000).

Table 11 Employment-Provides the rank order of employment based on the number of jobs for 60 sectors.

Observations:

- The top 60 manufacturing employment numbers range from #1 Animal slaughtering and processing/except poultry (1,152 employees) to #60 Cut stone and stone products (11 employees).
- Other high employment manufacturers include:
    - Motor and generator-819
    - Bicycles and parts-679
    - Wood television cabinets-411
    - Other plastics-359
    - Mattress-255
- Other manufacturers in the top 10 include: Metal can and other metal container (229), frozen food (224), other rubber products (222) and dog and cat foods (221).

Table 12 Labor Income Per Job (Lower Income Per Job)-Provides the rank order of labor income per job starting with the lowest income manufacturing sector.

Observations:

- The 19 manufacturing categories with the lowest income per job were also listed and they ranged from #1 Lowest-Fiber, yarn and thread mills ($721 income per job) to #19 Lowest-Fruit and vegetable canning, pickling and drying ($44,600 income per job).
- Other lower income per job manufacturers included:
    - Coffee and tea-$14,300
    - Apparel knitting mills-$22,800
    - Other fabricated metals-$26,400
    - Bread and bakery-$26,700
    - Other electronic components-$26,900
- Other manufacturers ranked in the lowest 10 for income per job include: Upholstered household furniture ($28,900), printed circuit or electronic assembly ($32,200) and wood container and pallet ($34,800).

The next section includes Tables 8-12.

Table 8
Jefferson County Manufacturing Profile: **Ranked On Location Quotient**

Rank		LQ
1	Motorcycle, bicycle, and parts mfg	256.22
2	Motor and generator mfg	89.75
3	Wood television, radio, and sewing machine cabinet mfg	46.59
4	Mattress mfg	40.54
5	Dog and cat food mfg	35.76
6	Metal can, box, and other metal container (light gauge) mfg	26.25
7	Flour milling and malt mfg	22.04
8	Boat building	21.97
9	Animal (except poultry) slaughtering, rendering, and processing	18.55
10	Nonupholstered wood household furniture mfg	18.46
11	Other rubber product mfg	17.63
12	Crown and closure mfg and metal stamping	15.98
13	Hardware mfg	15.88
14	Soap and cleaning compound mfg	15.05
15	Special tool, die, jig, and fixture mfg	14.16
16	All other food mfg	11.24
17	Coated and laminated paper, packaging paper and plastics film mfg	10.85
18	Adhesive mfg	9.94
19	Industrial process furnace and oven mfg	9.93
20	Frozen food mfg	9.38
21	Lawn and garden equipment mfg	9.32
22	Other basic organic chemical mfg	8.50
23	Turned product and screw, nut, and bolt mfg	8.50
24	Vending, commercial, industrial, and office machinery mfg	7.68
25	Industrial process variable instruments mfg	7.54
26	Automatic environmental control mfg	7.41
27	Sporting and athletic goods mfg	7.07
28	Soft drink and ice mfg	6.71
29	Other general purpose machinery mfg	6.24
30	Breweries	6.06
31	Custom roll forming	6.04
32	Seafood product preparation and packaging	5.71
33	Material handling equipment mfg	5.65
34	Farm machinery and equipment mfg	5.34
35	Other plastics product mfg	5.24
36	Other commercial and service industry machinery mfg	5.11
37	Wood container and pallet mfg	5.04
38	Printed circuit assembly (electronic assembly) mfg	4.99
39	Coffee and tea mfg	4.82
40	Plastics bottle mfg	3.96
41	Rolling mill and other metalworking machinery mfg	3.63
42	Ferrous metal foundries	3.61
43	All other miscellaneous mfg	3.55
44	Air conditioning, refrigeration, and warm air heating equipment mfg	3.45
45	Machine shops	3.43
46	Other industrial machinery mfg	3.41
47	Fruit and vegetable canning, pickling, and drying	2.82
48	Plastics material and resin mfg	2.81
49	Apparel knitting mills	2.77
50	Coating, engraving, heat treating and allied activities	2.68
51	Truck trailer mfg	2.47
52	Cut stone and stone product mfg	2.14
53	Cutting tool and machine tool accessory mfg	1.81
54	Pharmaceutical preparation mfg	1.49
55	All other chemical product and preparation mfg	1.40
56	Printing	1.36
57	Plastics pipe and pipe fitting mfg	1.36
58	Plate work and fabricated structural product mfg	1.34
59	Metal cutting and forming machine tool mfg	1.25
60	Paperboard container mfg	1.08

Data Source for Tables 8 – 12: IMPLAN, 2010 (Economic Modeling System)

Table 9
Jefferson County Manufacturing Profile: **Ranked On Labor Income per Job**

Rank		Labor Income per Job	LQ
1	Soap and cleaning compound mfg	$ 187,790	15.05
2	Breweries	156,567	6.06
3	Relay and industrial control mfg	132,760	0.18
4	Pharmaceutical preparation mfg	105,138	1.49
5	Lawn and garden equipment mfg	94,714	9.32
6	Soft drink and ice mfg	90,387	6.71
7	Industrial process furnace and oven mfg	86,035	9.93
8	Motorcycle, bicycle, and parts mfg	83,484	256.22
9	Adhesive mfg	81,990	9.94
10	Rolling mill and other metalworking machinery mfg	81,495	3.63
11	Other industrial machinery mfg	80,707	3.41
12	Plastics material and resin mfg	78,985	2.81
13	Other commercial and service industry machinery mfg	78,924	5.11
14	Other basic organic chemical mfg	78,103	8.50
15	Farm machinery and equipment mfg	75,217	5.34
16	Metal can, box, and other metal container (light gauge) mfg	74,394	26.25
17	Flour milling and malt mfg	72,779	22.04
18	Motor and generator mfg	72,526	89.75
19	Hardware mfg	71,912	15.88
20	Metal cutting and forming machine tool mfg	69,946	1.25
21	Material handling equipment mfg	68,979	5.65
22	Other animal food mfg	68,699	0.30
23	Wood television, radio, and sewing machine cabinet mfg	68,019	46.59
24	Ferrous metal foundries	66,103	3.61
25	Dog and cat food mfg	64,726	35.76
26	All other chemical product and preparation mfg	63,618	1.40
27	Cutting tool and machine tool accessory mfg	63,459	1.81
28	Vending, commercial, industrial, and office machinery mfg	61,684	7.68
29	Machine shops	61,603	3.43
30	Custom roll forming	61,092	6.04
31	Industrial process variable instruments mfg	60,746	7.54
32	Turned product and screw, nut, and bolt mfg	60,512	8.50
33	Seasoning and dressing mfg	60,215	0.74
34	Other general purpose machinery mfg	59,611	6.24
35	Truck trailer mfg	59,143	2.47
36	Crown and closure mfg and metal stamping	58,826	15.98
37	Showcase, partition, shelving, and locker mfg	58,771	0.40
38	Semiconductor and related device mfg	57,745	0.09
39	Special tool, die, jig, and fixture mfg	57,687	14.16
40	Coated and laminated paper, packaging paper and plastics film mfg	56,702	10.85
41	Plastics bottle mfg	55,580	3.96
42	Coating, engraving, heat treating and allied activities	54,226	2.68
43	Motor vehicle parts mfg	54,165	0.09
44	Animal (except poultry) slaughtering, rendering, and processing	53,807	18.55
45	Plate work and fabricated structural product mfg	52,331	1.34
46	Wood kitchen cabinet and countertop mfg	51,790	0.64
47	Air conditioning, refrigeration, and warm air heating equipment mfg	50,278	3.45
48	Printing	50,077	1.36
49	Ornamental and architectural metal products mfg	49,481	0.44
50	Paperboard container mfg	49,457	1.08
51	Other rubber product mfg	48,307	17.63
52	Boat building	47,994	21.97
53	Other plastics product mfg	47,565	5.24
54	Automatic environmental control mfg	47,353	7.41
55	Urethane and other foam product (except polystyrene) mfg	46,916	0.36
56	Sporting and athletic goods mfg	46,859	7.07
57	Cut stone and stone product mfg	45,778	2.14
58	All other miscellaneous mfg	45,556	3.55
59	All other food mfg	44,911	11.24
60	Ready-mix concrete mfg	44,762	0.53

Table 10
Jefferson County Manufacturing Profile: **Ranked On Output per Job**

Rank		Output per Job	LQ
1	Soap and cleaning compound mfg	$ 1,589,725	15.05
2	Flour milling and malt mfg	1,262,855	22.04
3	Other animal food mfg	1,212,851	0.30
4	Dog and cat food mfg	1,201,144	35.76
5	Plastics material and resin mfg	1,159,438	2.81
6	Other basic organic chemical mfg	1,153,794	8.50
7	Pharmaceutical preparation mfg	1,075,756	1.49
8	Breweries	947,906	6.06
9	Soft drink and ice mfg	731,420	6.71
10	Motorcycle, bicycle, and parts mfg	640,853	256.22
11	Metal can, box, and other metal container (light gauge) mfg	637,849	26.25
12	Semiconductor and related device mfg	589,405	0.09
13	Coffee and tea mfg	572,484	4.82
14	Seasoning and dressing mfg	563,549	0.74
15	Adhesive mfg	533,640	9.94
16	Farm machinery and equipment mfg	509,421	5.34
17	Fruit and vegetable canning, pickling, and drying	507,572	2.82
18	All other chemical product and preparation mfg	507,438	1.40
19	Lawn and garden equipment mfg	460,952	9.32
20	Animal (except poultry) slaughtering, rendering, and processing	456,687	18.55
21	Coated and laminated paper, packaging paper and plastics film mfg	406,572	10.85
22	Relay and industrial control mfg	400,289	0.18
23	Wineries	369,752	0.34
24	Plastics bottle mfg	366,541	3.96
25	Motor vehicle parts mfg	359,836	0.09
26	Paperboard container mfg	351,011	1.08
27	Material handling equipment mfg	344,260	5.65
28	Air conditioning, refrigeration, and warm air heating equipment mfg	340,608	3.45
29	Motor and generator mfg	336,785	89.75
30	All other food mfg	334,452	11.24
31	Seafood product preparation and packaging	329,379	5.71
32	Custom roll forming	327,295	6.04
33	Frozen food mfg	320,306	9.38
34	Mattress mfg	318,741	40.54
35	Plastics pipe and pipe fitting mfg	316,586	1.36
36	Vending, commercial, industrial, and office machinery mfg	314,599	7.68
37	Other commercial and service industry machinery mfg	302,537	5.11
38	Urethane and other foam product (except polystyrene) mfg	295,215	0.36
39	Printed circuit assembly (electronic assembly) mfg	281,721	4.99
40	Hardware mfg	271,330	15.88
41	Wood television, radio, and sewing machine cabinet mfg	259,277	46.59
42	Industrial process variable instruments mfg	256,868	7.54
43	Ready-mix concrete mfg	250,471	0.53
44	Industrial process furnace and oven mfg	243,838	9.93
45	Truck trailer mfg	241,966	2.47
46	Other rubber product mfg	237,055	17.63
47	Plate work and fabricated structural product mfg	236,984	1.34
48	Other industrial machinery mfg	236,617	3.41
49	Automatic environmental control mfg	234,767	7.41
50	Rolling mill and other metalworking machinery mfg	233,760	3.63
51	Crown and closure mfg and metal stamping	232,096	15.98
52	Other general purpose machinery mfg	231,641	6.24
53	Ferrous metal foundries	228,476	3.61
54	Other plastics product mfg	226,546	5.24
55	Sporting and athletic goods mfg	214,351	7.07
56	Sawmills and wood preservation	211,941	0.63
57	Fiber, yarn, and thread mills	200,211	0.02
58	Boat building	192,150	21.97
59	Metal cutting and forming machine tool mfg	191,249	1.25
60	Turned product and screw, nut, and bolt mfg	191,206	8.50

Table 11
Jefferson County Manufacturing Profile: **Ranked On Employment**

Rank		Employment	LQ
1	Animal (except poultry) slaughtering, rendering, and processing	1,152	18.55
2	Motor and generator mfg	819	89.75
3	Motorcycle, bicycle, and parts mfg	679	256.22
4	Wood television, radio, and sewing machine cabinet mfg	411	46.59
5	Other plastics product mfg	359	5.24
6	Mattress mfg	255	40.54
7	Metal can, box, and other metal container (light gauge) mfg	229	26.25
8	Frozen food mfg	224	9.38
9	Other rubber product mfg	222	17.63
10	Dog and cat food mfg	221	35.76
11	Special tool, die, jig, and fixture mfg	201	14.16
12	Crown and closure mfg and metal stamping	191	15.98
13	Machine shops	184	3.43
14	Nonupholstered wood household furniture mfg	169	18.46
15	All other food mfg	157	11.24
16	Printing	153	1.36
17	Soft drink and ice mfg	152	6.71
18	Turned product and screw, nut, and bolt mfg	149	8.50
19	Boat building	148	21.97
20	Soap and cleaning compound mfg	127	15.05
21	Coated and laminated paper, packaging paper and plastics film mfg	124	10.85
22	Other basic organic chemical mfg	123	8.50
23	Pharmaceutical preparation mfg	120	1.49
24	Industrial process variable instruments mfg	120	7.54
25	Flour milling and malt mfg	95	22.04
26	Sporting and athletic goods mfg	93	7.07
27	Other general purpose machinery mfg	87	6.24
28	Hardware mfg	83	15.88
29	Material handling equipment mfg	81	5.65
30	Printed circuit assembly (electronic assembly) mfg	79	4.99
31	Coating, engraving, heat treating and allied activities	79	2.68
32	Air conditioning, refrigeration, and warm air heating equipment mfg	71	3.45
33	Farm machinery and equipment mfg	70	5.34
34	Wood container and pallet mfg	69	5.04
35	Fruit and vegetable canning, pickling, and drying	68	2.82
36	All other miscellaneous mfg	63	3.55
37	Seafood product preparation and packaging	61	5.71
38	Ferrous metal foundries	55	3.61
39	Other commercial and service industry machinery mfg	54	5.11
40	Adhesive mfg	52	9.94
41	Plate work and fabricated structural product mfg	51	1.34
42	Other industrial machinery mfg	51	3.41
43	Plastics material and resin mfg	45	2.81
44	Paperboard container mfg	45	1.08
45	Breweries	44	6.06
46	Automatic environmental control mfg	41	7.41
47	Coffee and tea mfg	36	4.82
48	Plastics bottle mfg	33	3.96
49	All other chemical product and preparation mfg	32	1.40
50	Vending, commercial, industrial, and office machinery mfg	29	7.68
51	Lawn and garden equipment mfg	25	9.32
52	Industrial process furnace and oven mfg	20	9.93
53	Apparel knitting mills	20	2.77
54	Other fabricated metal mfg	19	0.86
55	Ornamental and architectural metal products mfg	19	0.44
56	Sawmills and wood preservation	15	0.63
57	Truck trailer mfg	13	2.47
58	Wood kitchen cabinet and countertop mfg	13	0.64
59	Ready-mix concrete mfg	12	0.53
60	Cut stone and stone product mfg	11	2.14

Table 12
Jefferson County Manufacturing Profile: **Ranked On Labor Income per Job**
(Lower Income Per Job)

Rank		Labor Income per Job	LQ
1	Fiber, yarn, and thread mills	$ 721	0.02
2	All other textile product mills	975	0.07
3	Coffee and tea mfg	14,320	4.82
4	Apparel knitting mills	22,840	2.77
5	Other fabricated metal mfg	26,396	0.86
6	Bread and bakery product mfg	26,732	0.08
7	Other electronic component mfg	26,943	0.28
8	Upholstered household furniture mfg	28,920	0.03
9	Printed circuit assembly (electronic assembly) mfg	32,252	4.99
10	Wood container and pallet mfg	34,816	5.04
11	Seafood product preparation and packaging	35,588	5.71
12	Frozen food mfg	38,198	9.38
13	Nonupholstered wood household furniture mfg	38,370	18.46
14	Sawmills and wood preservation	39,056	0.63
15	Wineries	40,436	0.34
16	Other concrete product mfg	42,363	0.07
17	Mattress mfg	42,886	40.54
18	Plastics pipe and pipe fitting mfg	44,219	1.36
19	Fruit and vegetable canning, pickling, and drying	44,605	2.82

Manufacturing: Possible Strategy Emphasis for Watertown and Jefferson County

Strategies Suggested by Analysis of Manufacturing Strengths

Initial strategy ideas prompted by the data are suggested as a preliminary way to use this manufacturing data:

a. Widely share the findings suggesting strengths in the manufacturing sector; this can include using the overall trend data, using the data for individual manufacturing sectors with strength as described by indicators of emerging modern manufacturing (i.e. an area of relative specialization, higher income per job, higher output/sales per job, higher employment).
b. Further analyze areas of possible strength by looking at manufacturers having high rankings in multiple indicators of emerging modern manufacturing; for example several manufacturing sectors show high rankings in their Location Quotient, income per job, output or sales per job and employment levels. Success could be shared with other manufacturers.
c. Refine findings in this report to more clearly reflect the implications from the perspectives on local economic development and business leaders.

Possible Follow-up Process Strategies by Local Leaders

Additional follow-up processes by local leaders could generate other ideas for positioning Watertown and Jefferson County for a strong manufacturing future.

a. Convene local economic development and business leaders to better understand and apply other characteristics of modern manufacturing (i.e. those characteristics for which data, like that in Tables 8-12, is not readily available). While these characteristics are not described in detail in this report, dialogue could help share perspectives on opportunities for local manufacturers.
   This could include:
   - Review and assess manufacturing sectors' potential for "Flexibility/Adaptability".
   - Review and assess manufacturing sectors' potential for "Stable Location".
   - Review and assess manufacturing sectors' potential for "Integration of Innovative Forces".
b. Design and convene sessions with economic development and business leaders to develop agreed-upon retention strategies for the manufacturing sector. In general terms, these sessions may include:
   - Developing strategies for expanding strategic alliances and building capacity in the manufacturing sector.
   - Developing strategies for workforce development in conjunction with partners in education and innovation.

<u>Note</u>: These strategies could be further informed by approved county and community economic plans.