



Wisconsin Metropolitan Area Economic Outlook

**Wisconsin Department of Revenue
Division of Research & Policy
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WISCONSIN METROPOLITAN AREA OUTLOOK

Overview

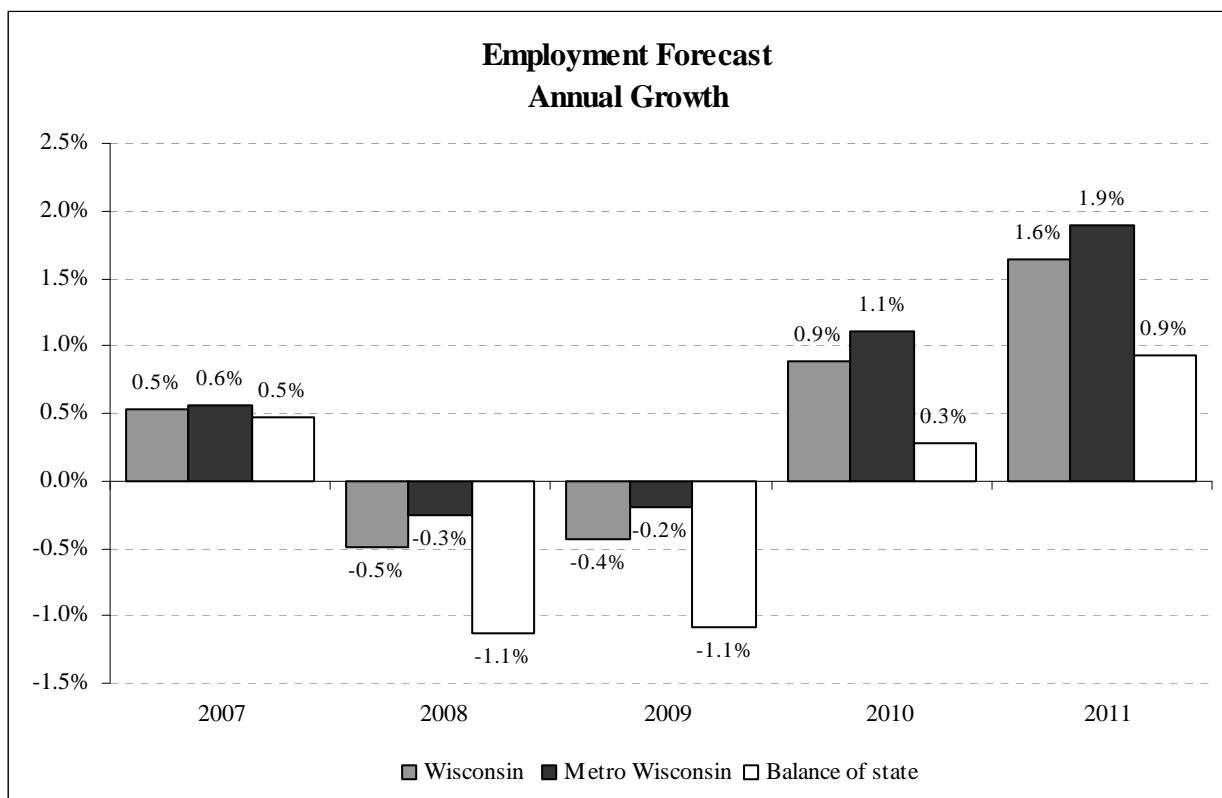
Wisconsin is comprised of 12 metropolitan statistical areas (MSAs). They include 21 of Wisconsin's 72 counties, and are each centered around a city with a population of at least 50,000. Employment in Wisconsin's metropolitan counties made up 72.3% of the workforce in 2007, and 71.8% of total state personal income. Non-metro areas, which are the remaining 51 counties and are not linked with a large urban center, make up the rest of the workforce. Figure 1 on page 4 identifies the 12 MSAs of the state.

Nonfarm employment growth in Wisconsin slowed in 2007, decelerating from 0.9% growth in 2006 to 0.5% in 2007. The employment growth in the 12 MSAs also decelerated relative to 2006, to 0.5%. Non-metro areas saw steady growth in 2007 at 0.5%.

Statewide, nonfarm employment is forecasted to decrease 0.5% in 2008. The metro areas of the state are expected to fare slightly better than the state, decreasing 0.3%, while the non-metro areas are expected to see a 1.1% decline in nonfarm employment in 2008. (See Chart I.1). In 2009, state employment is expected to decline 0.4%, followed by growth of 0.9% in 2010. The metro areas will see a smaller decline in 2009, of 0.2%, followed by 1.1% growth in 2010. The non-metro areas will see employment fall 1.1% in 2009 followed by 0.3% growth in 2010.

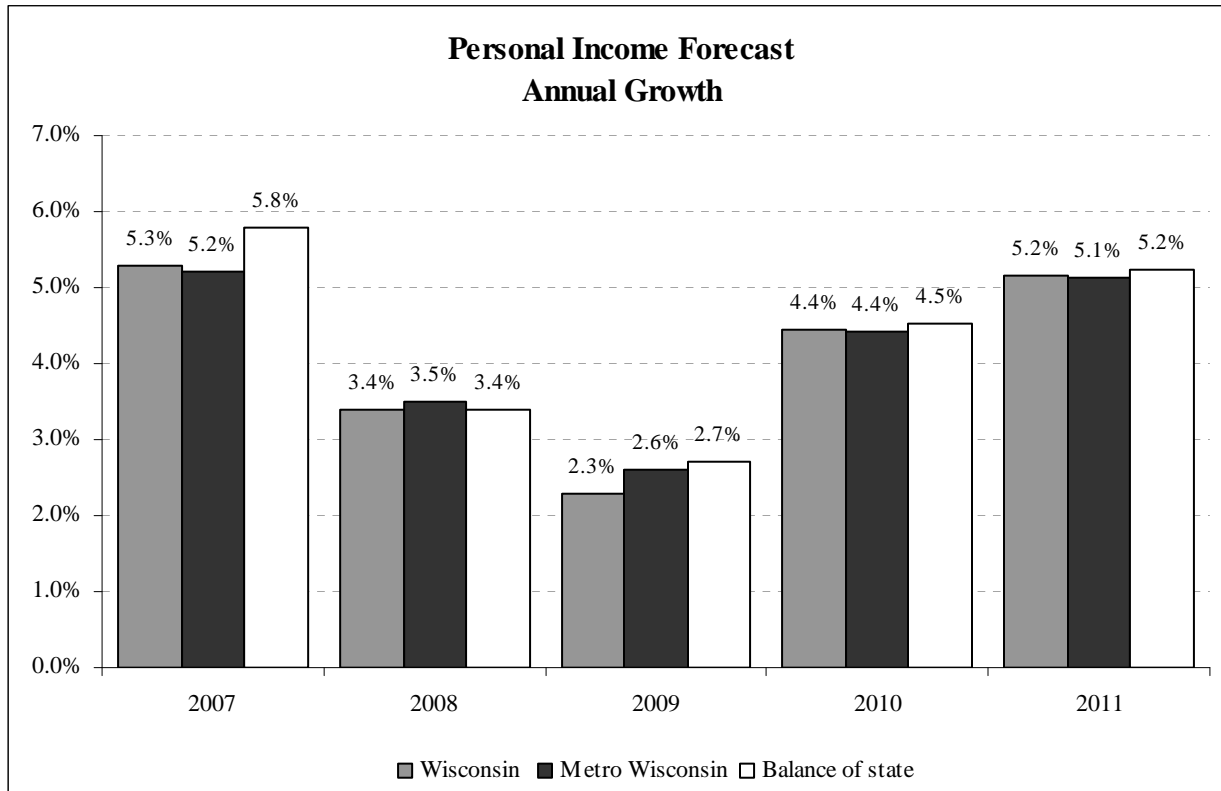
Not all of the metro areas will experience a decline. The Eau Claire, Green Bay, and Madison MSAs are expected to weather the weak economy in with only slow growth. The Fond du Lac MSA will see steady employment in 2008 and then a very small decline (-0.1%) in 2009. The remaining eight MSAs in the state will see a range of declining employment, from -0.3% in the Oshkosh-Neenah MSA to -1.3% in Janesville. These declines will continue through 2009 before seeing a turnaround in 2010.

Chart I.1



Total personal income grew 5.2% in the Wisconsin metro areas in 2007, slightly less than the statewide growth of 5.3%. Non-metro areas saw personal income growth of 5.9%. The forecast for statewide personal income growth is 3.4% in 2008, followed by 2.3% in 2009 and 4.4% in 2010. (See Chart I.2). Wisconsin's metropolitan areas are expected to see growth of 3.5% in 2008, only marginally better than the state. In 2009, the metro areas again grow faster than the state, at 2.6%, and then at 4.4%, the same as the state, in 2010. Meanwhile, personal income in the non-metro areas of the state is expected to increase the same as the state as a whole at 3.4%. This is followed by growth slightly greater than the state, with increases of 2.7% in 2009 and 4.5% in 2010.

Chart I.2



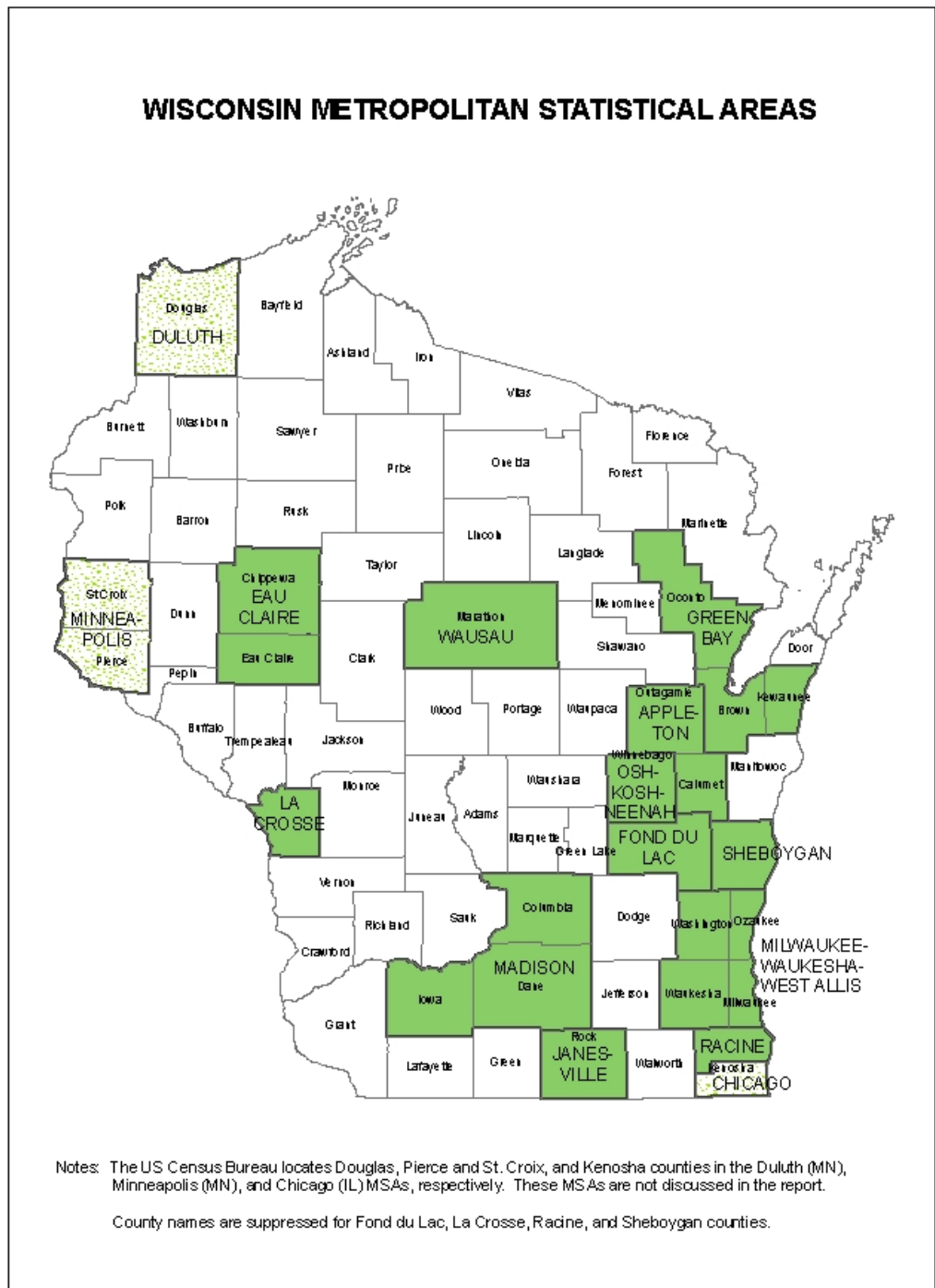
Wisconsin's per capita personal income increased 4.7% to \$36,162 in 2007. Wisconsin's metro areas have a higher per capita personal income than the state. The per capita personal income in the MSAs increased 4.5% to \$38,493 in 2007, and is expected to grow 2.8% in 2008, reaching \$39,579. In contrast, Wisconsin's non-metro areas have a lower per capita personal income than the state, but is growing faster. These areas saw per capita personal income increase 5.2% to \$31,299 in 2007, but this growth is expected to slow to 2.7% in 2008, reaching \$32,152.

Income data for all metropolitan areas through 2007 are from the U.S. Bureau of Economic Analysis. Employment data are from the Wisconsin Department of Workforce Development. Income and employment data for the years 2008 and beyond are model-based estimates.

The Metropolitan Area forecast is based on the August 2008 Global Insight U.S. forecast and the related forecast of the Wisconsin economy presented in the September 12 DOR Economic Outlook. The state outlook is available on the DOR website at <http://www.revenue.wi.gov/ra/0808/0808.html>.

The following sections contain details on each of the metropolitan areas in Wisconsin.

FIGURE I

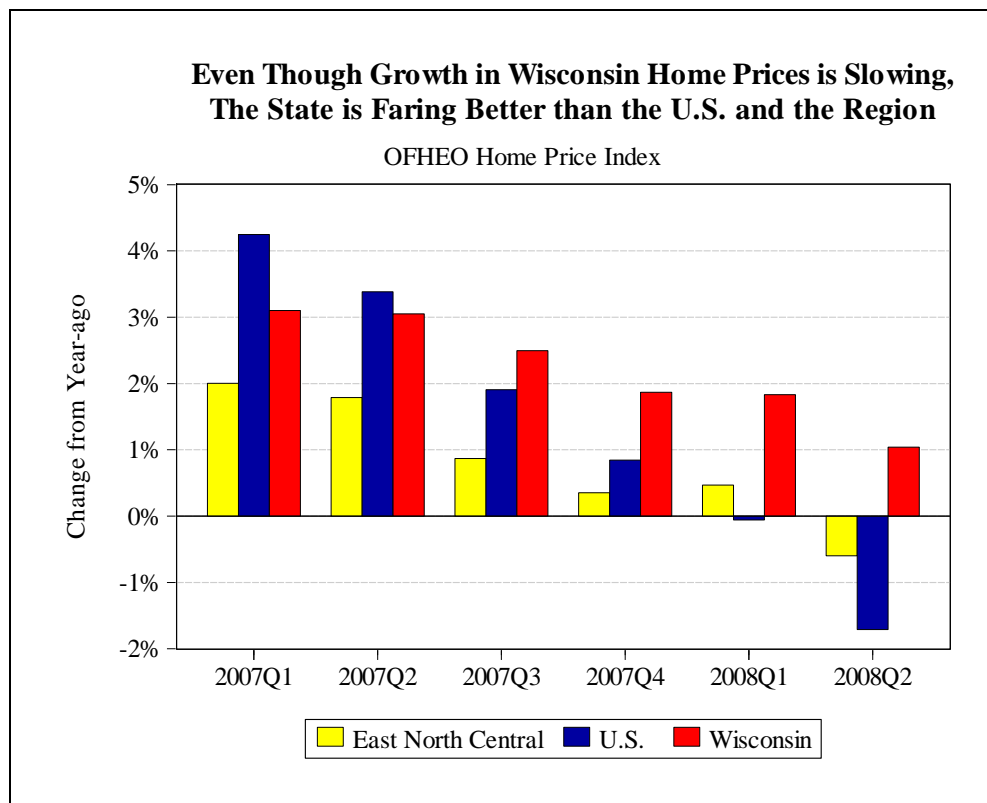


Wisconsin Housing

Wisconsin housing has increased rapidly this decade, but not as fast as the U.S. As a result, Wisconsin housing is expected to weather the current turmoil in the housing market better than the rest of the nation. The Office of Federal Housing Enterprise Oversight (OFHEO) recently released its Home Price Index for the second quarter of 2008. The data revealed that home prices (using data for all transactions) in Wisconsin decreased 0.5% when compared to first quarter prices. However, home prices are still increasing year-over-year in Wisconsin, which is faring better than its neighbors and better than the nation overall. Indeed, Wisconsin home prices rose 1.0% in the second quarter versus a year ago, while national home prices experienced a drop of 1.7%, and the East North Central Region (which includes Illinois, Indiana, Michigan, Ohio, and Wisconsin) saw home prices decline 0.6% (see Chart 1.3 below).

According to another source, The Department of Revenue's 2008 equalized value report, residential values increased 3.3% in during 2007. Economic changes contributed 1.1 percentage points of that increase, similar to the 1.0% increase seen in the OFHEO data. The rest of the increase was due to new construction and other changes.

Chart I.3



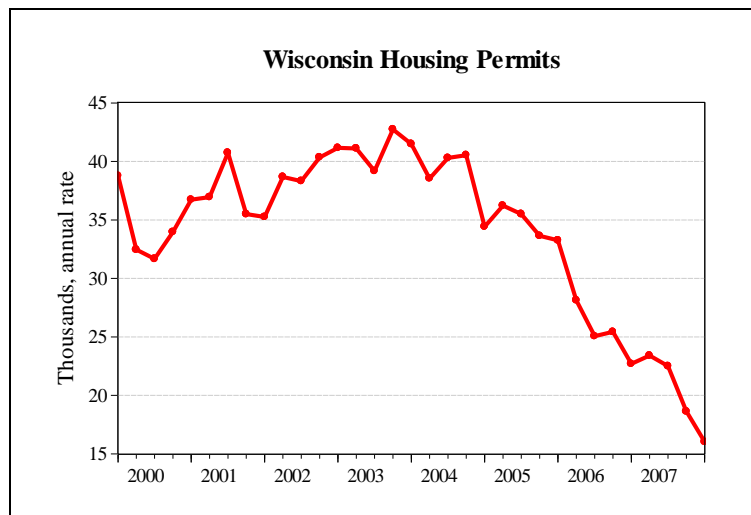
Another measure of the health of the housing market is the number of foreclosures in an area. Here, Wisconsin also is outperforming the nation. This is mostly due to less exposure to sub-prime and Alt-A loans than were seen in the rest of the nation. According to July 2008 data from the New York Federal Reserve, Wisconsin has a higher rate (14.1%) of sub-prime mortgages that are in foreclosure than the nation (10.7%). But Wisconsin has less sub-prime mortgages overall: 15.2 subprime mortgages per 1,000 units versus 23.4 subprime mortgages per 1,000 units in the U.S. As such, only 2.1 subprime mortgages per 1,000 units are in foreclosure in WI (and 0.8 per 1,000 units are Real Estate Owned¹) versus 2.5 subprime foreclosures per 1,000 units in the U.S. (and 1.6 per 1,000 Real Estate Owned). In a similar manner, Wisconsin also has had less exposure to Alt-A mortgages, which were particularly popular on the West Coast.

¹ Real Estate Owned (REO) means that the home has been foreclosed on and repurchased by a bank.

However, the Wisconsin housing market, while it may be performing better than the nation as a whole, has not reached bottom yet. Wisconsin home building permits continue to fall, and foreclosures continue to rise, increasing the excess of inventory in the market.

Wisconsin permits (see Chart I.4) declined 29% and 27% the first and second quarter of 2008 from a year earlier, continuing the declining path started in 2004. Wisconsin permits are expected to hit bottom in late 2008 and into 2009 but start to recover in late 2009. RealtyTrac released 2008Q2 foreclosure data showing that national foreclosures increased 121% from 2007Q2. Following the national trend, foreclosures in Wisconsin also increased (156%) over the same period. Wisconsin ranked 28th, with one out of 408 households in foreclosure in the second quarter of 2008, compared with one out of 171 households in foreclosure nationwide.

Chart I.4



Home sales in Wisconsin are still declining. According to the Wisconsin Realtors Association, home sales in the second quarter of 2008 were down 20.7% from the second quarter of 2007; nationwide home sales were down 16.3%. Growth in home prices in Wisconsin continue their declining trend started in 2004, though it's not as steep as for the U.S as a whole. The median home price statewide for the second quarter of 2008 was \$162,200, down 3.0% from the second quarter of 2007, less than half the decline of 7.6% nationwide.

A note about Housing Data

A number of different reports are used in this outlook to capture recent trends in the housing market. One data source is the Office of Federal Housing Enterprise Oversight (OFHEO). This office produces a home price index for the nation, for the different states, and for MSAs. For the MSAs, the index is a quarterly measure of average price changes in repeat sales or refinancings on the same properties. The data is found on the OFHEO website, at <http://www.ofheo.gov/>.

Another measure of housing market conditions used is the Wisconsin Department of Revenue's 2008 equalized values report. This report is released annually. The most recent report was released in August and reflects values as of January 1, 2008. It is a measure of real and personal property, and is reported at the municipal and county level. The data used in this report is the residential property values at the county level. The county-level data was summed to the MSA level for those MSAs with more than one county. The report is available at <http://www.revenue.wi.gov/equ/report2.html>.

Data on mortgages used in the discussion of Wisconsin housing is from the 'Nonprime Mortgage Conditions in the United States', from the New York Federal Reserve. This data is not available at the MSA level. The July 2008 data was used. It is located at <http://www.newyorkfed.org/regional/subprime.html>. The RealtyTrac foreclosure data is available at <http://www.realtytrac.com/>.

The data for housing permits is from the U.S. Census Bureau. State-wide, monthly permit data is available at <http://www.census.gov/const/www/C40/table2.html#monthly>.

Median home prices are also reported. This data is from two different sources. The first is the Wisconsin Realtors Association (WRA). The WRA has median prices for all Multiple Listing Service (MLS) sales by county, as well as the number of sales. Because it is all MLS sales, it includes condos and new homes, as well as existing homes. Wisconsin sales data is also available from the WRA. The home prices are not seasonally adjusted, so it is not possible to get a meaningful quarter-to-quarter comparison of prices. This data is available at http://www.wra.org/Consumer_Resources/About_Wisconsin/housingstats.asp

The second data source has data available by MSA and is available from the National Association of Realtors (NAR). In Wisconsin, MSA data was available only for the four largest MSAs: Appleton, Green Bay, Madison, and Milwaukee. The MSA data contain median home prices for existing single-family homes only. The number of sales data is not available. Because the county data and the MSA data measure different things, they are not directly comparable. However, it is included to give readers an idea of the affordability and prices of homes in different areas of the state. Like the county data from the WRA, the MSA home price data is not seasonally adjusted. The MSA data is available at <http://www.realtor.org/research/research/ehspage>.

METROPOLITAN AREA DETAIL

Appleton

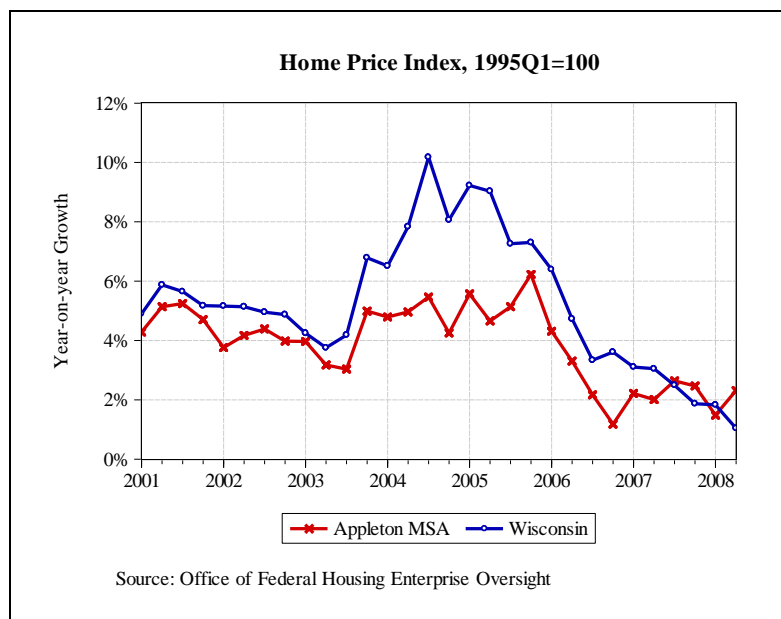
The Appleton MSA includes Outagamie and Calumet Counties. In the heart of the Fox River Valley, it is Wisconsin's fourth-largest MSA with a population of 218,000 in 2007. Its population is growing at an annual rate of 0.8%, slightly faster than the state's population growth of 0.6%. Besides the city of Appleton, the metro area also includes the cities of Kaukauna, Grand Chute, and Little Chute. The Appleton MSA is home to Lawrence University and the Fox Valley Technical College. There is another campus of the technical college in nearby Oshkosh, and there are UW campuses close by in Menasha, Fond du Lac, and Oshkosh.

Housing in Appleton

Since 2001, home prices in Appleton, as measured by the OFHEO's home price index, grew at a rate similar to that of the state. Between 2004 and late 2005, however, state prices grew at a much faster rate than those in the Appleton MSA. (See Chart II.1 below.) Growth in home prices in the Appleton MSA peaked in late 2005 and since has slowed to around 2%. Compared to five years ago, home prices are up 18.4%.

The index readings for the second quarter of 2008 showed that home values fell 4.3% in the Appleton MSA when compared to the first quarter. However, when compared to the second quarter of 2007, home prices rose 2.3%. Residential real estate in the metro area rose 3.1% in 2007, according to the 2008 equalized values report recently released by the Wisconsin Department of Revenue. MSA totals were reached by combining county data. Economic change accounted for 0.7 percentage point of this increase, and the rest to new construction and other changes.

Chart II.1



The National Association of Realtors recently released median existing home sales prices for single-homes for large metropolitan areas. For the Appleton MSA, the median price in the second quarter of 2008 was \$134,900, up 2.5% from the year-earlier median sales price of \$131,600. By comparison, the median home price in the second quarter of 2008 in Wisconsin was \$162,200, a 3.0% decrease from the prior year.

Employment

Manufacturing is the largest industry group in the Appleton MSA, capturing 19.2% of total employment in 2007. The next largest industry group is Trade, Transportation and Utilities (18.8% of employment), followed by

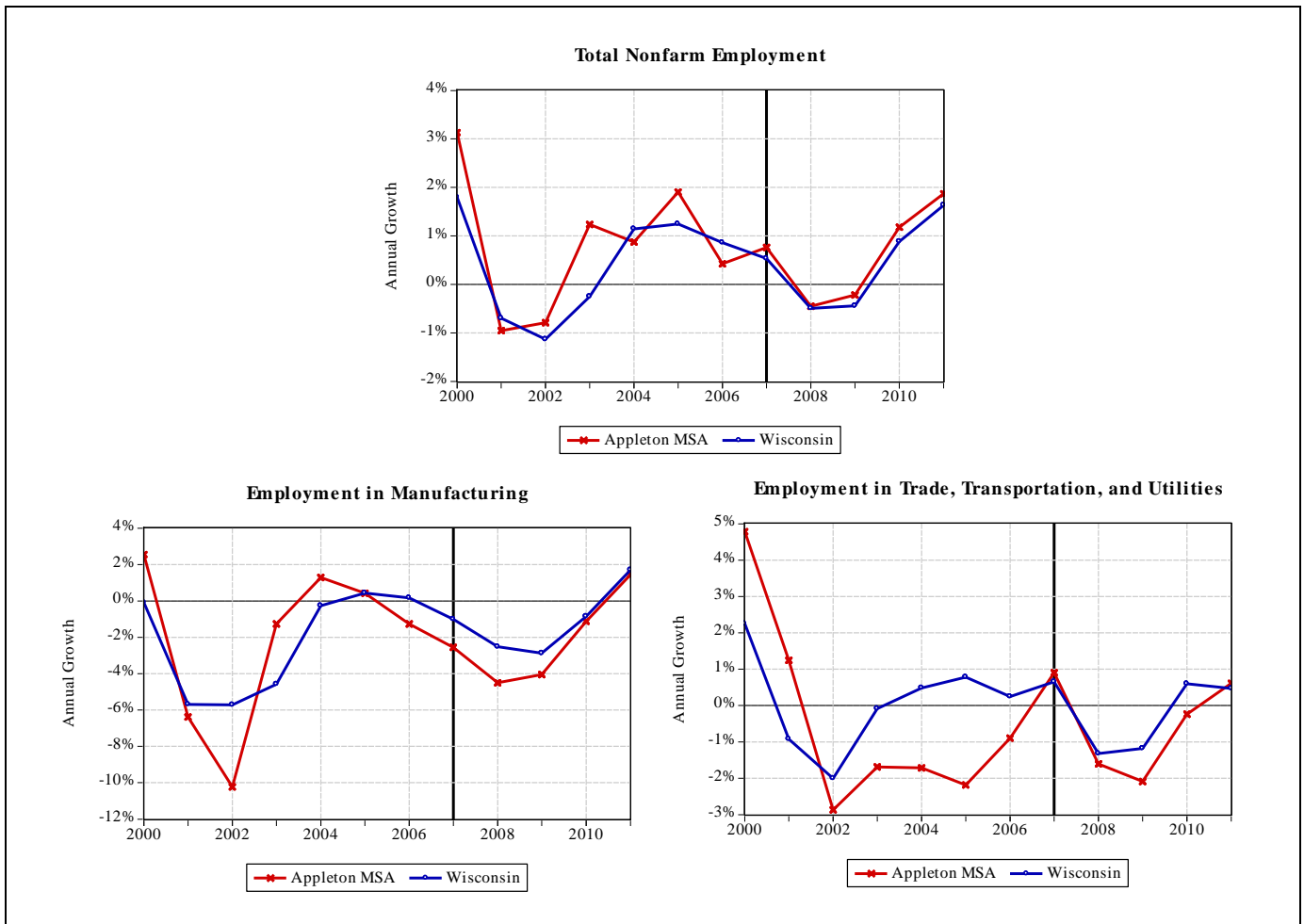
Professional and Business Services (11.3% of employment) and Education and Health Services (10.4% of employment). Large employers in the area include Thedacare Inc. (medical and surgical hospital), Thrivent Financial (insurance), Miller Electric Manufacturing, and Appleton Papers. A large paper manufacturer, New Page in Kimberly, WI, recently announced the layoff of 475 employees as of September 2008.

Total nonfarm employment increased 0.8% in 2007 in the two-county Appleton metro. The fastest-growing industry sector was Finance and Real Estate, increasing 7.8% over the course of the year, followed by Professional and Business services (2.3% growth) and Leisure and Hospitality (1.8%). The Manufacturing sector fell 2.6% in 2007.

The Forecast

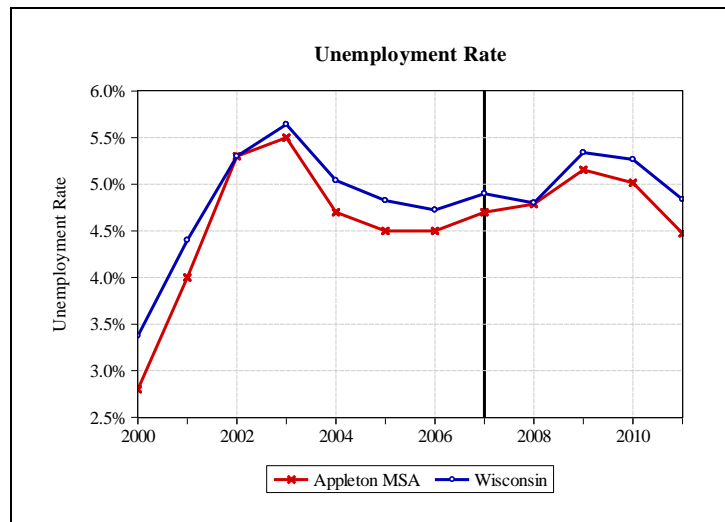
Total nonfarm employment in the Appleton MSA is expected to lose 500 jobs, a decrease of 0.5% in 2008. The area is expected to lose another 300 jobs in 2009 before returning to growth in 2010 with 1,400 new jobs (growth of 1.2%). Appleton's largest industry sector, Manufacturing, will be the largest source of these job losses, seeing declines of -4.5% in 2008 and -4.1% in 2009. Growth does not return to this sector until 2011. Appleton's second largest sector, Trade, Transportation and Utilities, will fare better than Manufacturing, posting declines of 1.6% in 2008 and 2.1% in 2009.

Chart II.2



The unemployment rate in the Appleton MSA (shown in Chart II.3) has historically been slightly lower than the state rate. The rate peaked in Appleton at 5.5% in 2003, and then fell to a low of 4.5% in 2005 and 2006 of the current cycle. The unemployment rate in Appleton was at 4.7% in 2007, below the state rate of 4.9%. This is expected to rise to 4.8% in 2008 and 5.2% in 2009, before falling back to 5.0% in 2010 and 4.5% in 2011.

Chart II.3



The outlook for total personal income is positive in the Appleton MSA. Following growth of 6.0% in 2007, personal income is expected to slow to 4.3% growth in 2008 and then to 3.1% in 2009. In 2010, personal income growth increases 4.9%, and then 5.7% in 2011. This growth pattern is similar to that seen for the state as a whole.

Per capita personal income, which is total personal income for an area divided by the population, was \$36,563 in the Appleton MSA in 2007. This is an increase of 5.1% since 2006 and a 20.3% increase since 2002. The state per capita personal income was lower than Appleton at \$36,162. In the forecast, per capita personal income growth slows as does total personal income, increasing 3.1% in 2008 and 2.0% in 2009. Growth becomes more robust in the last two years of the forecast period.

APPLETON METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	115.6	117.8	118.3	119.2	118.7	118.4	119.8	122.0
<i>% change</i>	0.9%	1.9%	0.4%	0.8%	-0.5%	-0.2%	1.2%	1.9%
Unemployment Rate	4.7	4.5	4.5	4.7	4.8	5.1	5.0	4.5
Total Personal Income (\$ billions)	6.8	7.2	7.5	8.0	8.3	8.6	9.0	9.5
<i>% change</i>	4.2%	4.8%	5.0%	6.0%	4.3%	3.1%	4.9%	5.7%
Per Capita Personal Income	32,214	33,455	34,786	36,563	37,683	38,443	39,931	41,768
<i>% change</i>	3.2%	3.9%	4.0%	5.1%	3.1%	2.0%	3.9%	4.6%

Eau Claire

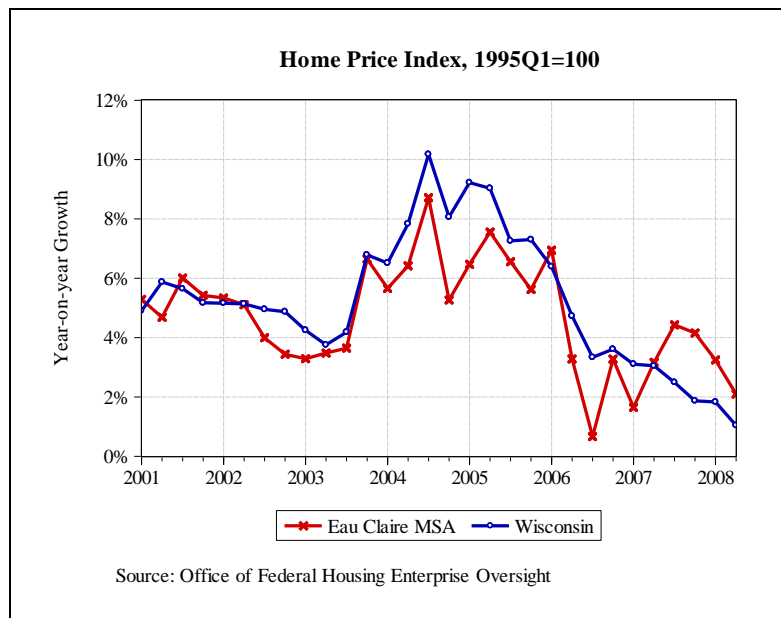
The Eau Claire MSA includes Eau Claire and Chippewa counties in the west-central region of the state. Besides the city of Eau Claire, the metro area includes Washington and Altoona in Eau Claire County and Chippewa Falls in Chippewa County. The Eau Claire MSA is the fifth smallest in the state with a population of 158,000 in 2007. Eau Claire is home to a four-year UW campus, and there is a branch of the Chippewa Valley Technical College in both Eau Claire and Chippewa Falls.

Housing in Eau Claire

Home price increases in the Eau Claire MSA, as measured by the OFHEO home price index, peaked in mid-2004, much in the same way the state did. However, after growth fell below 2% in 2006 and 2007, home prices have shown stronger year-on-year growth than the state in late 2007 and early 2008. Home prices are 24.5% higher than five years ago.

The latest data released by the OFHEO show that prices declined 0.5% in the second quarter of 2008 when compared to the first quarter, but were still 2.1% higher than the second quarter of 2007. The Wisconsin Department of Revenue's equalized values report showed that as of January 1, 2008, total equalized values for residential real estate increased 3.7% over 2007. This data was compiled from the values for both Chippewa and Eau Claire County. Economic changes alone increased values 1.2%.

Chart II.4



In the Eau Claire MSA, the median home price fell 0.7% in Eau Claire County, from \$137,100 in the second quarter of 2007 to \$136,200 in the second quarter of this year. This data comes from the Wisconsin Realtors' Association, which uses data from all Multiple Listing Service (MLS) sales, and therefore includes condos and not just single-family homes. In Chippewa County, the median home price also fell, from \$135,000 in the second quarter of 2007 to \$128,300 a year later. The number of MLS properties sold decreased in the two areas, from a combined 629 during the second quarter of 2007 to 515 in the second quarter of 2008.

Employment

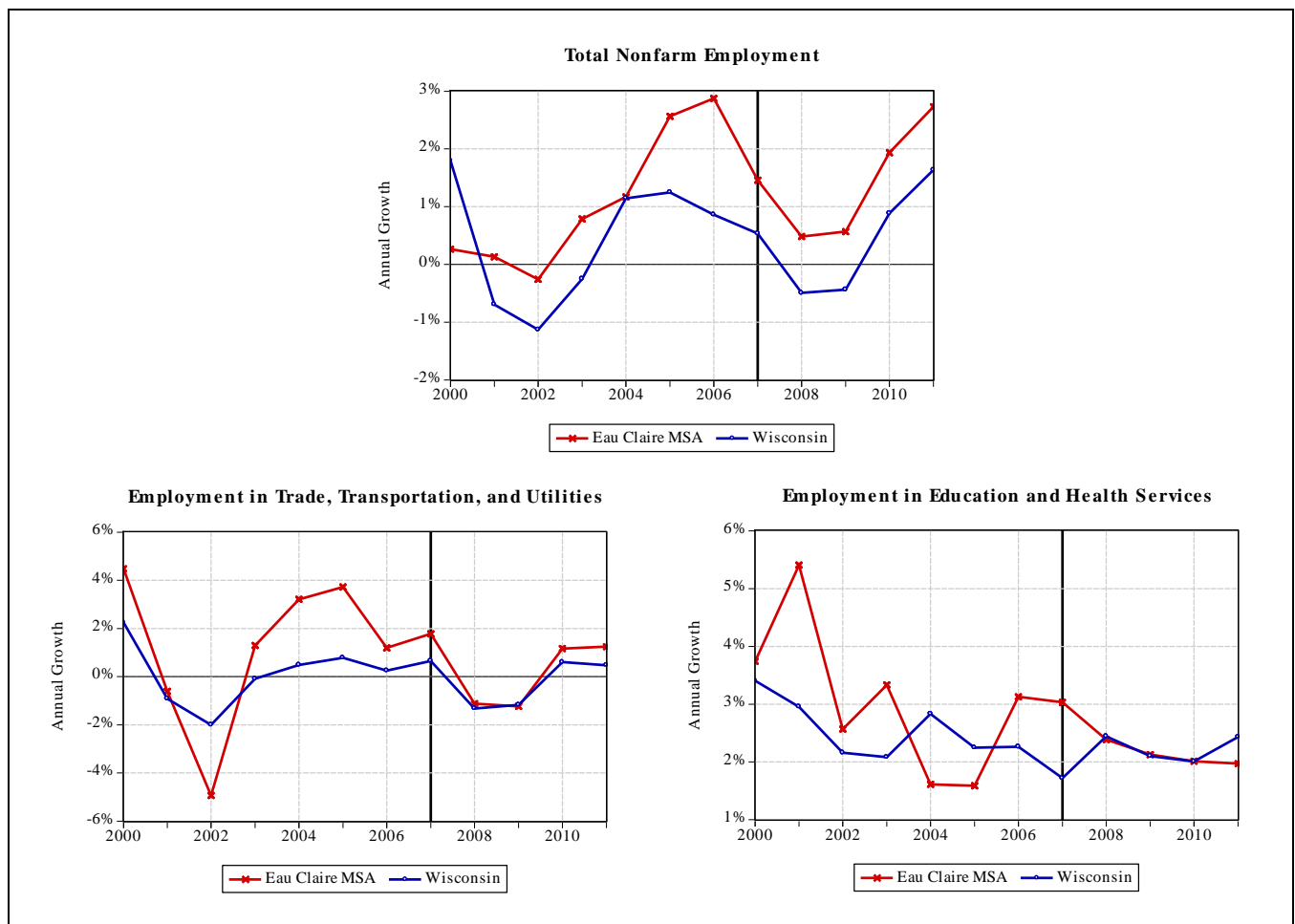
The largest industries in the Eau Claire MSA were Trade, Transportation, and Utilities (20.6% of total nonfarm employment in 2007); Education and Health Services (16.3%); Government, including state and local education (15.1%), and Manufacturing (13.4%). Large employers in the area include Menards, Hutchinson Technology (computer manufacturing), and Luther Hospital.

Total nonfarm employment increased 1.5% in the Eau Claire MSA in 2007. The fastest growing industries include Finance and Real Estate, at 4.8% growth; Education and Health Services (3.0% growth), and Government, including state and local education (2.4%). The Manufacturing sector decreased 2.6%.

The Forecast

Total nonfarm employment is expected to increase by 400 jobs in 2008, reflecting a growth rate of 0.5%. This is followed by 0.6% growth in 2009 before returning to stronger growth in 2010 and 2011 of 1.9% and 2.7%, respectively. Eau Claire is one of three metro areas within the state to have positive growth throughout the forecast period. (the Green Bay and Madison MSAs are the other two.) Not all sectors will fare alike, however. Employment in Trade, Transportation, and Utilities, Eau Claire's largest employment sector, is expected to decline 1.1% in 2008 and 1.2% in 2009. Education and Health Services, the second largest sector in the area, is expected to see strong growth of 2.4% in 2008 and 2.1% in 2009.

Chart II.5

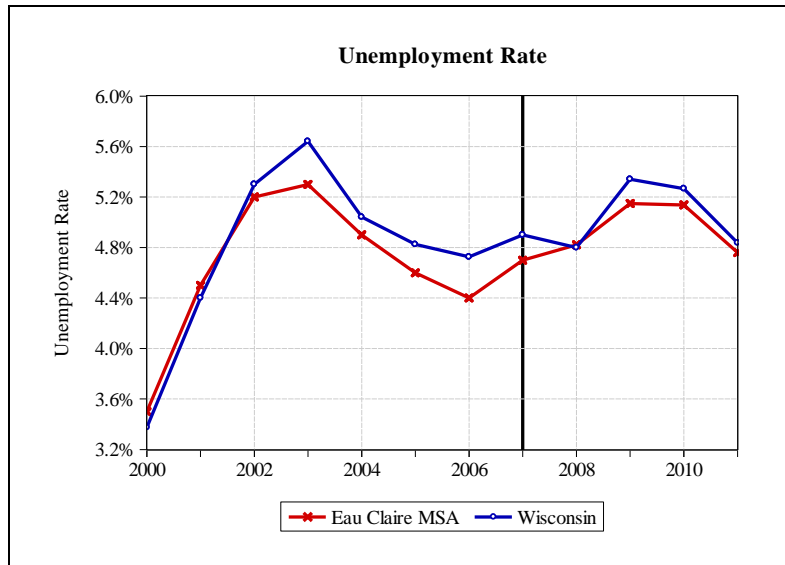


During the 2001 recession, the unemployment rate in the Eau Claire MSA rose from 3.5% in 2000 to high of 5.3% three years later (see Chart II.6 on the next page). The rate declined through 2006, reaching a low of 4.4% in 2006, compared to a low of 4.7% in the state. Last year, 2007, the unemployment rate rose again, to 4.7%. The rate is expected to continue to rise, reaching 4.8% in 2008 and then 5.1% in 2009 and 2010. After that, the unemployment rate will decrease back to 4.8%.

Total personal income in the Eau Claire MSA is expected to grow faster than the state. Following increases of 5.6% in 2006 and 5.5% in 2007, personal income growth will slow to 3.9% in 2008 and 2.8% in 2009. This

compares to statewide growth of 5.3% in 2007, 3.4% in 2008 and 2.6% in 2009. Growth will accelerate towards the end of the forecast period in the Eau Claire MSA, reaching 4.6% in 2010 and 5.3% in 2011.

Chart II.6



Per capita personal income reached \$31,134 in the Eau Claire MSA in 2007. This is the second lowest of all the MSAs, and 14% lower than the state. It increased 4.3% since 2006 and 17.8% since 2002. In the forecast, per capita personal income is expected to increase 2.9% in 2008 to \$32,037 and 2.0% in 2009. Growth then accelerates, with per capita personal income growing 3.9% in 2010 and 4.6% in 2011, reaching \$35,520.

EAU CLAIRE METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	78.0	80.0	82.3	83.5	83.9	84.4	86.0	88.4
<i>% change</i>	1.2%	2.6%	2.9%	1.5%	0.5%	0.6%	1.9%	2.7%
Unemployment Rate	4.9	4.6	4.4	4.7	4.8	5.1	5.1	4.8
Total Personal Income (\$ billions)	4.2	4.4	4.7	4.9	5.1	5.2	5.5	5.8
<i>% change</i>	2.6%	5.5%	5.6%	5.5%	3.9%	2.8%	4.6%	5.3%
Per Capita Personal Income	27,254	28,519	29,837	31,134	32,037	32,686	33,954	35,520
<i>% change</i>	1.3%	4.6%	4.6%	4.3%	2.9%	2.0%	3.9%	4.6%

Fond du Lac

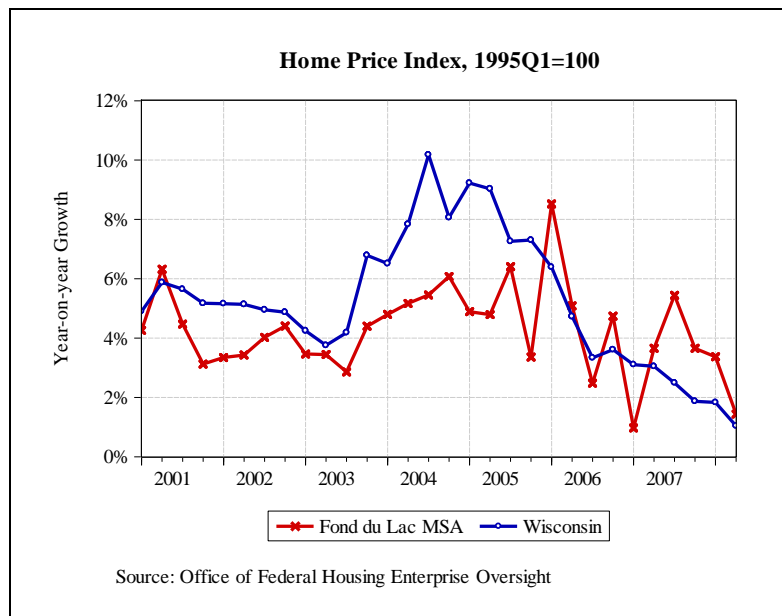
The Fond du Lac MSA is made up of the county of the same name and is Wisconsin's smallest metropolitan area, just south of Oshkosh in the Fox Valley region. Besides the city of Fond du Lac, the MSA includes Ripon, North Fond du Lac, and Taycheedah. Fond du Lac is home to a two-year UW campus, as well as Marion College and a campus of the Moraine Park Technical College.

Housing in Fond du Lac

Home price increases in the Fond du Lac MSA peaked in the first quarter of 2006. Since then the growth has slowed and is roughly in-line with the state, although it outperformed the state through much of 2007. Currently, home prices in the Fond du Lac area are 21.8% higher than they were five years ago.

The release of home prices in the second quarter of 2008 showed that prices are 1.4% higher than a year ago, but 1.3% lower than during the first quarter. The Wisconsin Department of Revenue's equalized values data reported that residential values as of January 1, 2008 in the Fond du Lac MSA were 2.3% higher than a year ago. Economic change accounted for 0.6 percentage point of this increase, and the rest to new construction and other changes.

Chart II.7



Using data released from the Wisconsin Realtors' Association on MLS sales, the median home price in the Fond du Lac MSA increased 6.0% in the second quarter of 2008, to \$130,700, when compared with the previous year. At the same time, the number of MLS homes sold fell, from 266 in the second quarter of 2007 to 214 in the second quarter of this year.

Employment

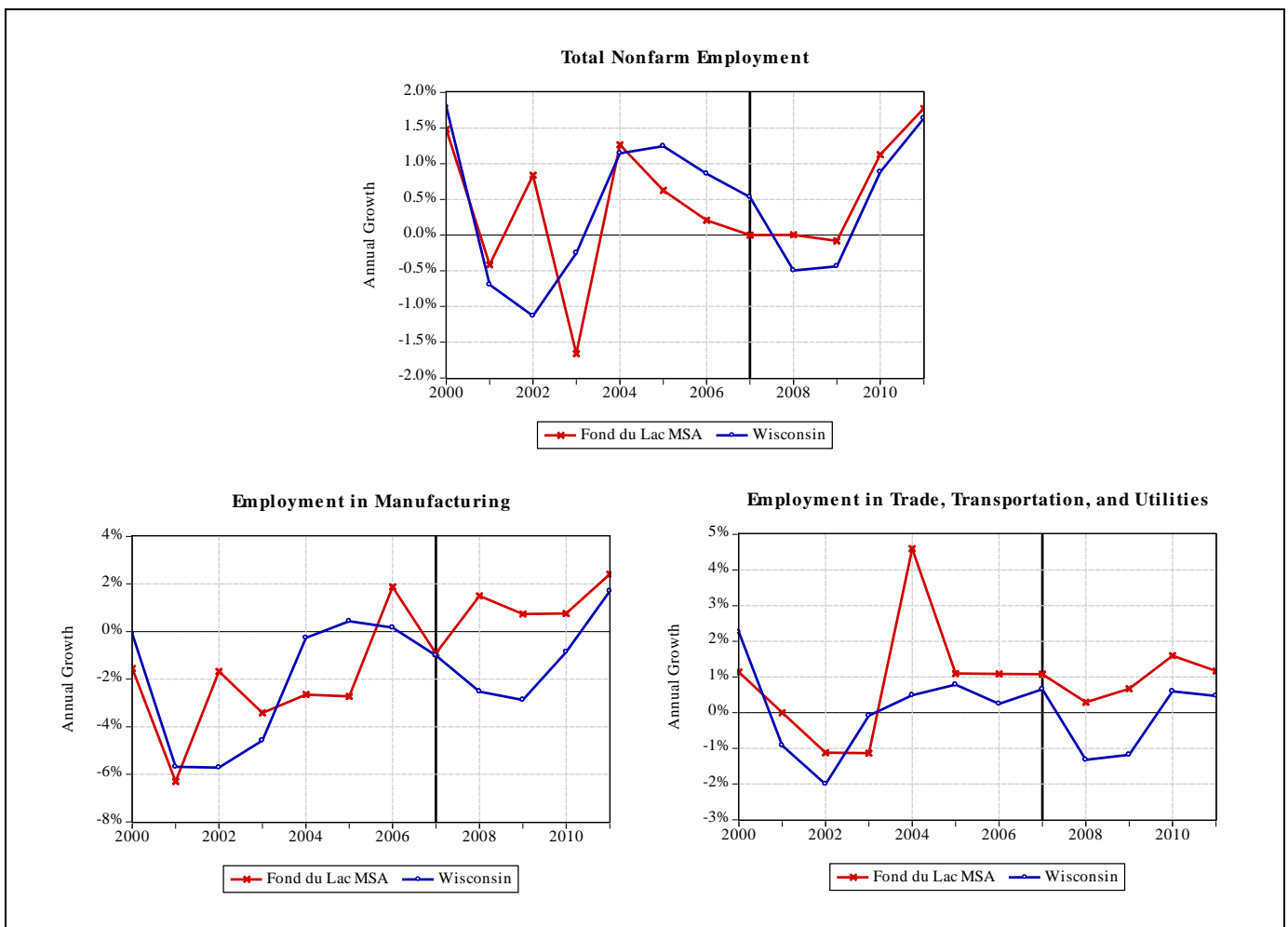
Manufacturing is the Fond du Lac MSA's largest industry, making up more than one-fifth (22.3%) of total non-farm jobs. The next largest industry is Trade, Transportation, and Utilities, at 19.4% of employment, followed by Education and Health Services (13.4%) and Government, including state and local education (12.2%). Large employers located in the Fond du Lac MSA include Brunswick Corporation (engine manufacturing), Agnesian Healthcare, and Alliance Laundry Systems.

Total nonfarm employment in the Fond du Lac MSA was flat in 2007, staying level at 48,400 jobs. Construction and Mining gained 200 jobs, an increase of 6.9%, and Trade, Transportation and Utilities increased 1.1%. Meanwhile, Leisure and Hospitality decreased 6.7%, Government declined 1.7%, and Manufacturing fell 0.9%.

The Forecast

Total nonfarm employment in the Fond du Lac MSA is expected to remain flat in 2008; 2009 will see a decline of 0.1%, followed by 1.1% growth in 2010 and 1.8% growth in 2011. Fond du Lac's largest employment sector, Manufacturing, is expected to increase by 1.5% in 2008. Fond du Lac is one of three MSAs to see an increase in manufacturing in 2008, along with La Crosse and Oshkosh. This is followed by an increase of 0.7% in manufacturing in 2009. Trade, Transportation, and Utilities, the area's second-largest employment sector, will see an increase of 0.3% in 2008 followed by an increase of 0.7% in 2009. Stronger growth in both these sectors returns in 2010 and 2011.

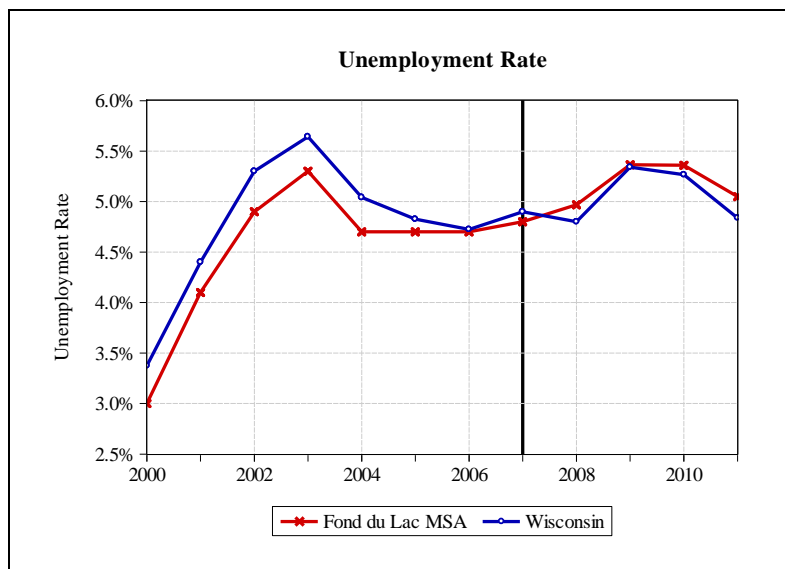
Chart II.8



During the last economic downturn, the unemployment rate in the Fond du Lac MSA rose from 3.0% in 2000 to 5.3% in 2003. The Fond du Lac MSA has historically had an unemployment rate about 0.5 percentage point below the state. However, the Fond du Lac MSA had a steady unemployment rate at 4.7% from 2004-2006, while the state rate declined from 5.0% in 2004 to 4.7% by 2006. In 2007, the Fond du Lac unemployment rate was just slightly below the state rate, at 4.8%. In 2008, the unemployment rate in Fond du Lac is expected to rise

to 5.0%, above the state unemployment of 4.8%, and then to 5.4% in 2009. It will stay there until 2011, when it falls back to 5.0%.

Chart II.9



Total personal income growth reached 6.1% in 2007. This rate will drop to half that, 3.0%, in 2008, and to 2.4% in 2009. This is slower than the statewide forecast of 3.4% growth in 2008 and 2.6% in 2009. The last two years of the forecast period, 2010 and 2011, will see stronger growth in personal income of 4.3% and 5.0%, respectively.

Per capita personal income in the Fond du Lac MSA was \$34,793 in 2007. This is an increase of 5.7% over 2006, and an 18.6% increase since 2002. The state per capita personal income is just a little greater than this, at \$36,162. Like the state, per capita personal income growth slows, increasing 2.5% to \$35,679 in 2008 and 2.0% in 2009. Growth in per capita personal income then increases 3.9% in 2010 and 4.6% in 2011, reaching \$39,556.

FOND DU LAC METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	48.0	48.3	48.4	48.4	48.4	48.4	48.9	49.8
<i>% change</i>	1.3%	0.6%	0.2%	0.0%	0.0%	-0.1%	1.1%	1.8%
Unemployment Rate	4.7	4.7	4.7	4.8	5.0	5.4	5.4	5.0
Total Personal Income (\$ billions)	3.0	3.1	3.3	3.4	3.6	3.6	3.8	4.0
<i>% change</i>	2.8%	2.9%	4.1%	6.1%	3.0%	2.4%	4.3%	5.0%
Per Capita Personal Income	30,919	31,745	32,923	34,793	35,679	36,400	37,812	39,556
<i>% change</i>	2.5%	2.7%	3.7%	5.7%	2.5%	2.0%	3.9%	4.6%

Green Bay

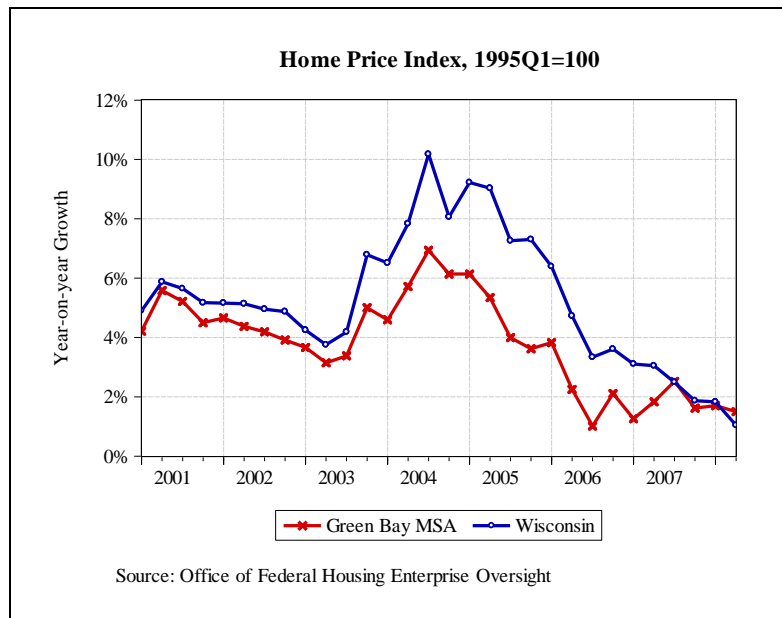
The Green Bay MSA includes Brown, Oconto, and Kewaunee Counties. It is the third largest of Wisconsin's metro areas, behind Madison and Milwaukee. In 2007 its population increased 0.9% to 301,000. Home of the Green Bay Packers, it is located at the northern edge of the Fox Valley region. Besides the city of Green Bay, the MSA also includes De Pere and Howard in Brown County, Oconto in Oconto County, and Algoma in Kewaunee County. The city of Green Bay is home to a four-year UW campus as well as a branch of the Northeast Technical College, and St. Norbert College is located in De Pere, WI.

Housing in Green Bay

So far this decade the Green Bay MSA has seen moderate growth in its home prices, as measured by the OFHEO home price index. Prices there grew slightly slower than the state as a whole, and, like the state, they peaked in mid-2004. Since 2006 prices have been increasing around 2% in the Green Bay MSA. Over the past five years, prices have increased 17.7%. This is the slowest five-year growth of all the MSAs in Wisconsin. However, the release of data from the second quarter of 2008 from OFHEO revealed that prices have increased 1.5% over the past year, versus 1.0% growth in the state. Nevertheless, compared to the first quarter of 2008, prices have fallen 0.5%.

The equalized value report from the Wisconsin Department of Revenue shows that as of January 1, 2008 total equalized values for residential properties increased 2.9% over the previous year, with 1.1 percentage points of this increase from economic changes. This data was compiled from the values for the individual counties. Of the three counties, Oconto County showed the greatest increase, 3.1%, due to economic changes. Kewaunee County saw a 2.1% increase and Brown County showed a 0.5% increase.

Chart II.10



The National Association of Realtors recently produced median home sales prices for existing single-family homes for large metropolitan areas. For the Green Bay MSA, the median home price in the second quarter of 2008 was \$150,400 a decrease of 1.8% from the year-earlier median sales price of \$153,100. By comparison, the median home price in Wisconsin was \$162,200 in the second quarter of this year, a 3.0% decrease from the prior year.

Employment

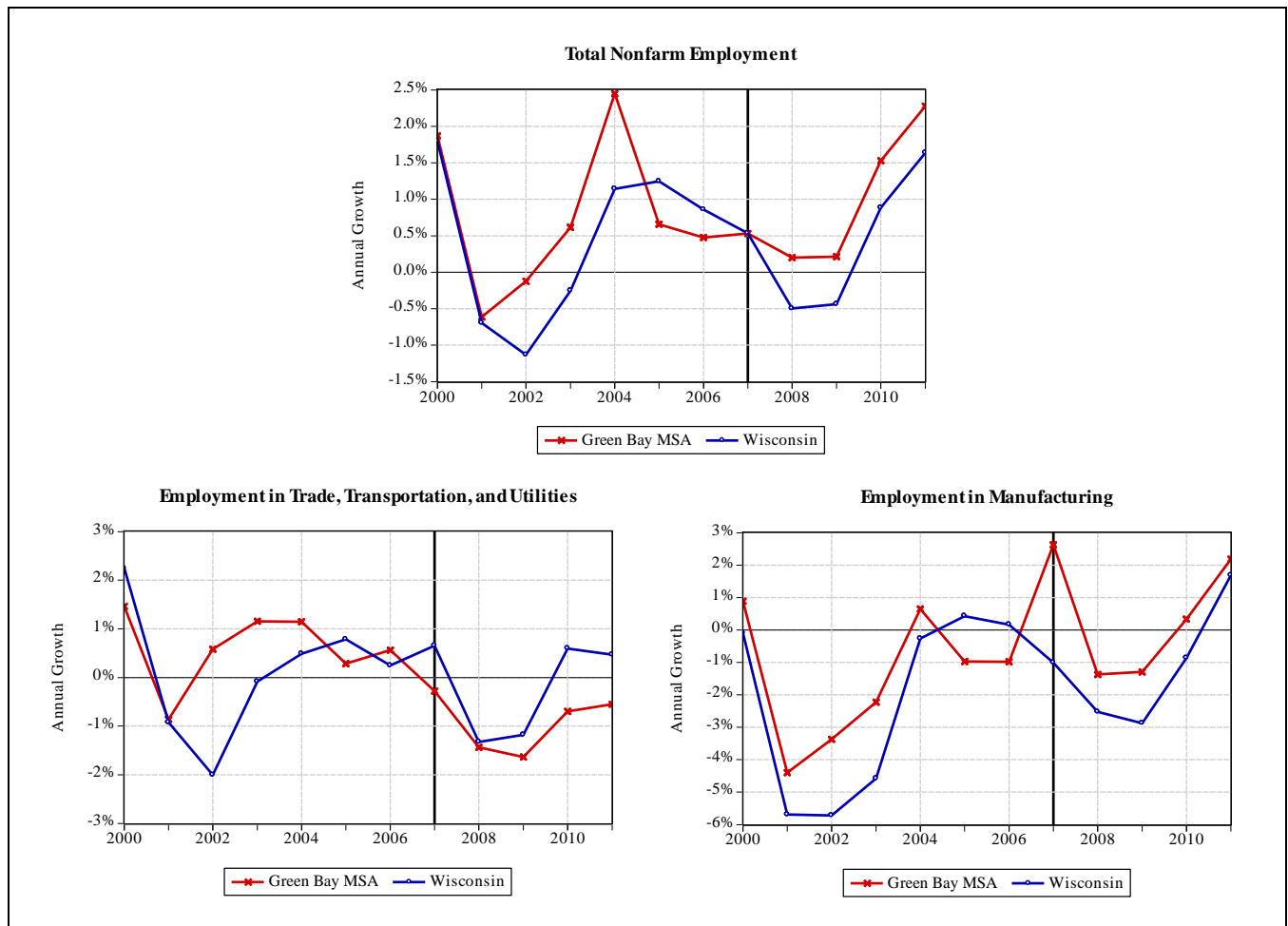
The largest industry in the Green Bay MSA is Trade, Transportation and Utilities, which made up 20.9% of total nonfarm employment in 2007. The next largest industry was Manufacturing (18.4% of employment), followed by Education and Health Services (12.3%) and Government, including state and local education (also 12.3%). Large employers in the area include several insurance companies such as Humana and WPS, paper manufacturer Georgia-Pacific, the hospitals Bellin Memorial and Saint Vincent, and trucking leader Schneider National.

In 2007 total nonfarm employment increased 0.5% in the Green Bay MSA. Manufacturing, which declined in most of the other MSAs, increased 2.6%. Much of this increase was in food manufacturing. Finance and Real Estate also saw strong growth, with an increase of 2.5%, while Other Services grew 1.4%. Industry sectors with declining employment levels in 2007 were Information (-4.2%) and Construction and Mining (-3.5%).

The Forecast

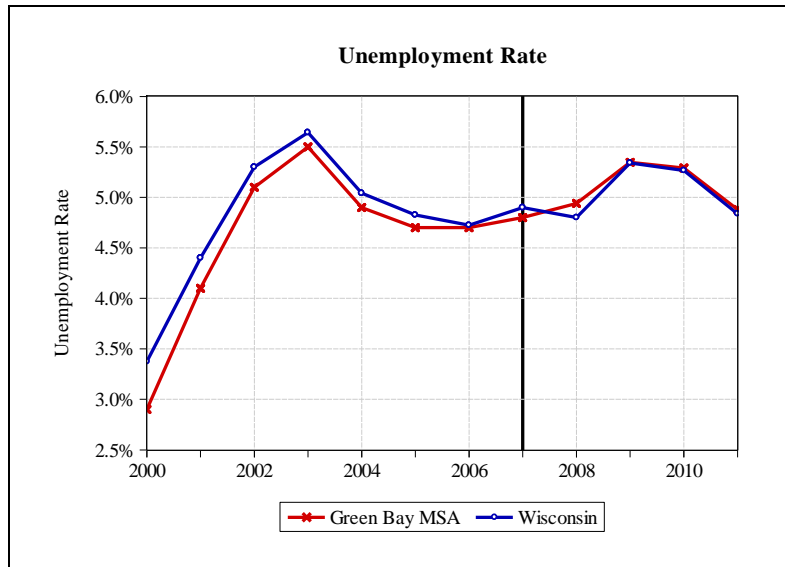
Total nonfarm employment in the Green Bay MSA is expected to increase by around 300 jobs in 2008, for growth of 0.2%. 2009 will see the same employment growth, followed by stronger growth in 2010 and 2011 of 1.5% and 2.3% respectively. However, while total employment is spared job losses, Green Bay's largest sectors do not fare as well. Trade, Transportation, and Utilities declines 1.4% in 2008 and 1.6% in 2009. Meanwhile, the area's second-largest employment sector, Manufacturing, will also experience declines, with a decrease of 1.4% in 2008 and 1.3% in 2009. Job growth in these sectors improves towards the end of the forecast period.

Chart II.11



The unemployment rate in the Green Bay MSA rose from 2.9% in 2000 to a peak of 5.5% in 2003. After declining for the next three years, closely following the state unemployment rate, the rate ticked up in 2007 to 4.8% (see Chart II.12). It is expected to increase over the next two years, to 4.9% in 2008 and then to 5.3% in 2009. It will stay at 5.3% in 2010 before falling to 4.9% in 2011.

Chart II.12



Total personal income in the Green Bay MSA grew 5.5% in 2007. This will be followed by 4.4% growth in 2008 and 3.1% growth in 2009, following the pattern of growth in statewide personal income. Growth of personal income increases in 2010 to 5.0% and to 5.7% in 2011.

The Green Bay MSA's per capita personal income in 2007 was \$35,151, an increase of 4.5% over the previous year and a 17.0% increase since 2002. Growth in per capita personal income is expected to slow next year, as does total personal income, to 3.3%, and then increase 2.1% in 2009, 3.9% in 2010, and 4.7% in 2011. Green Bay's per capita personal income will be \$40,326 in 2011, versus the state at \$41,145.

GREEN BAY METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	167.2	168.3	169.1	170.0	170.3	170.7	173.3	177.3
<i>% change</i>	2.5%	0.7%	0.5%	0.5%	0.2%	0.2%	1.5%	2.3%
Unemployment Rate	4.9	4.7	4.7	4.8	4.9	5.3	5.3	4.9
Total Personal Income (\$ billions)	9.3	9.6	10.0	10.6	11.1	11.4	12.0	12.7
<i>% change</i>	4.2%	3.3%	4.2%	5.5%	4.4%	3.1%	5.0%	5.7%
Per Capita Personal Income	31,674	32,503	33,627	35,151	36,311	37,061	38,522	40,326
<i>% change</i>	3.1%	2.6%	3.5%	4.5%	3.3%	2.1%	3.9%	4.7%

Janesville

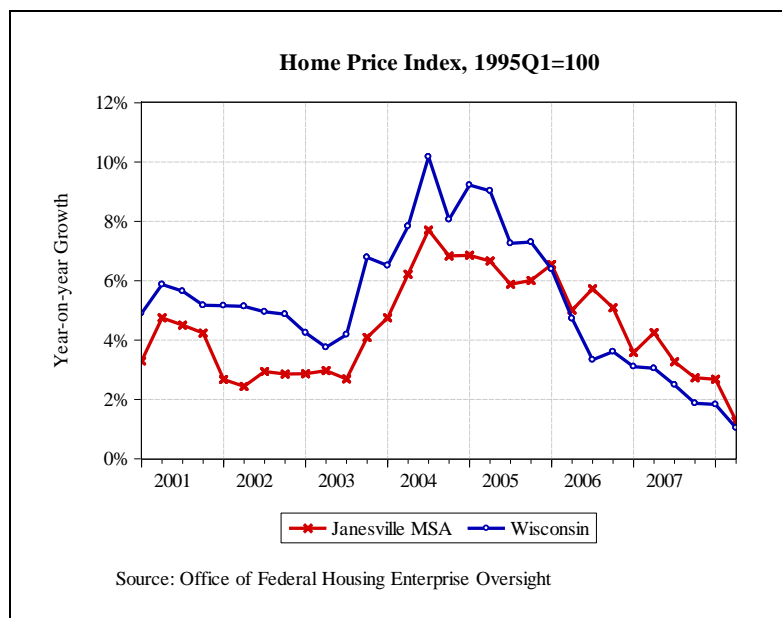
The Janesville MSA is made up of Rock County and is the seventh-largest of Wisconsin's 12 MSAs. Located on the southern border of Wisconsin along the Rock River, its population grew 0.9% in 2007, to 159,600. The metro area includes not only Janesville but also the cities of Beloit, Milton, and Edgerton. Janesville is home to a two-year UW campus and a branch of the Blackhawk Technical College.

Housing in Janesville

Home prices in the Janesville MSA, as measured by the OFHEO price index, have increased 25.6% over the past five years. Growth rates have ranged from just over 2% to a high of nearly 8% in mid-2004. The data from the second quarter of 2008 from the OFHEO showed that home prices experienced a small decline of 0.3% when compared to the previous quarter. However, compared to a year earlier, prices were still increasing at the rate of 1.3%.

Data from the Wisconsin Department of Revenue's 2008 equalized values show that total residential properties rose 4.7% in 2007. Economic change accounted for 2.3 percentage points of this increase, and the rest to new construction and other changes.

Chart II.13



The median home sales prices, from the Wisconsin Realtors' Association MLS sales data, fell 6.1% in the Janesville MSA in the second quarter of 2008 when compared to a year earlier, from \$132,000 to \$124,000. This is faster than the state decline, which slipped 3.0% to \$162,200 in the second quarter of 2008. The number of sales in the Janesville MSA also decreased, from 725 in the second quarter of last year to 483 this year.

Employment

Janesville's largest industry in 2007 was Trade, Transportation and Utilities, which equaled 23.4% of total nonfarm employment. Other large industries in the area include Manufacturing (19.2%), Education and Health Services (14.5%), and Government, including state and local education (12.7%). One of Janesville's largest employers, General Motors (GM) earlier this year announced it would be closing the GM plant located in the city by 2010. GM has already laid off around 850 employees, and will lay off the remaining 1400 by 2010. Lear Corporation, a supplier of GM, also announced it will lay off 300 workers as of October of this year.

Because of Janesville's diverse economy, however, there are many other large employers in the area. One is Mercy Healthcare, which already employs over 1,000 workers. Another health provider, Dean Health System, is planning to build a \$140 million hospital and medical complex with St. Mary's Hospital of Madison. The expansion is expected to create 350 jobs. Additional large employers in the Janesville MSA include Lab Safety Supply, Staff On-Site, and Beloit Memorial Hospital.

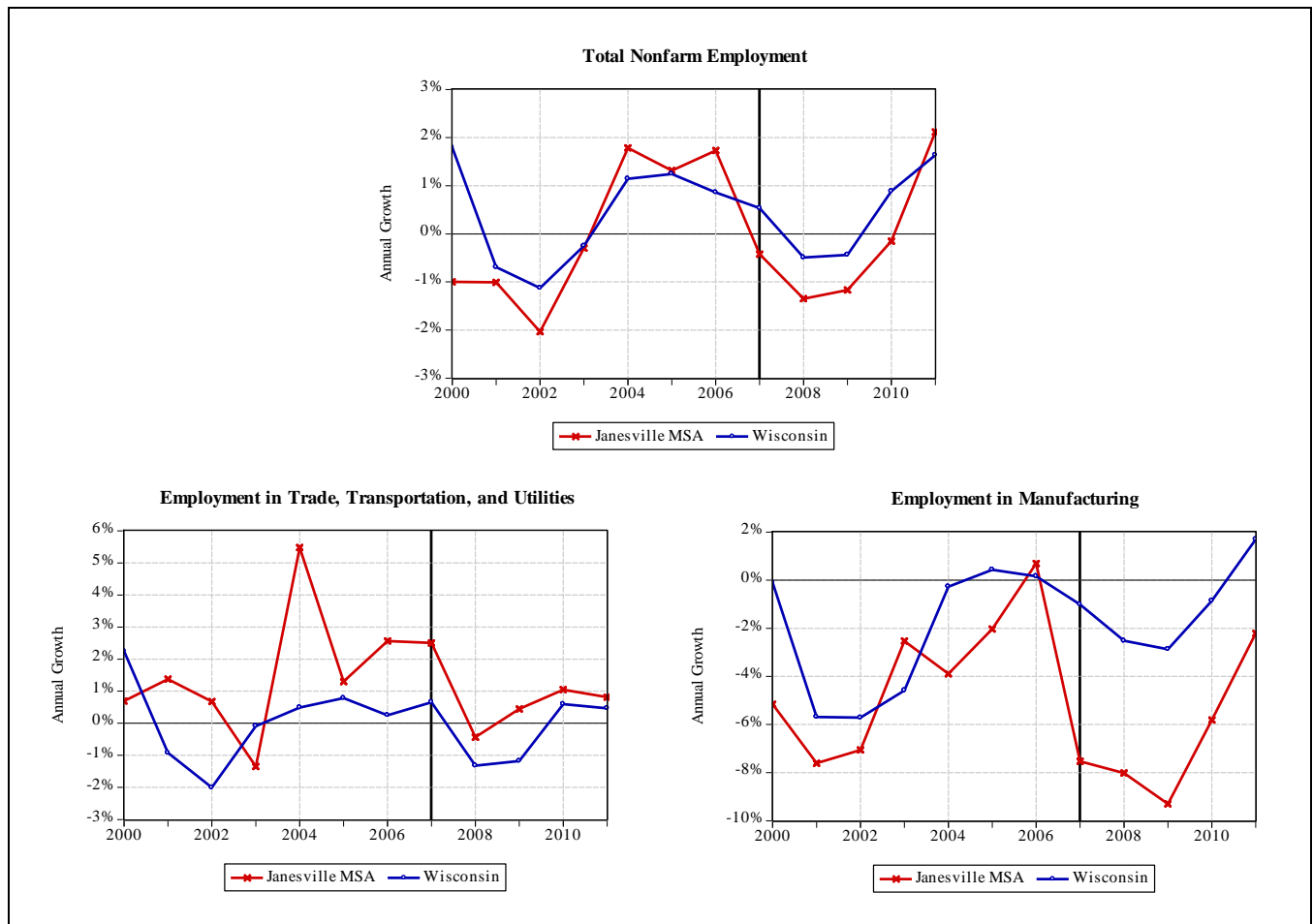
Total nonfarm employment declined 0.4% in the Janesville MSA in 2007. This decline was focused in the Manufacturing Sector, which declined 7.5%. Meanwhile, employment in Education and Health Services increased 5.2%; Trade, Transportation and Utilities grew 2.5%; and Leisure and Hospitality, 1.6%.

The Forecast

The Janesville MSA is facing two factors making growth difficult. The first is the general weakness in current economic conditions, which is depressing growth across regions and across sectors. Secondly, GM, has announced it will be closing its Janesville assembly plant. While the closing is not expected to be complete until 2010, many layoffs and work stoppages have already occurred.

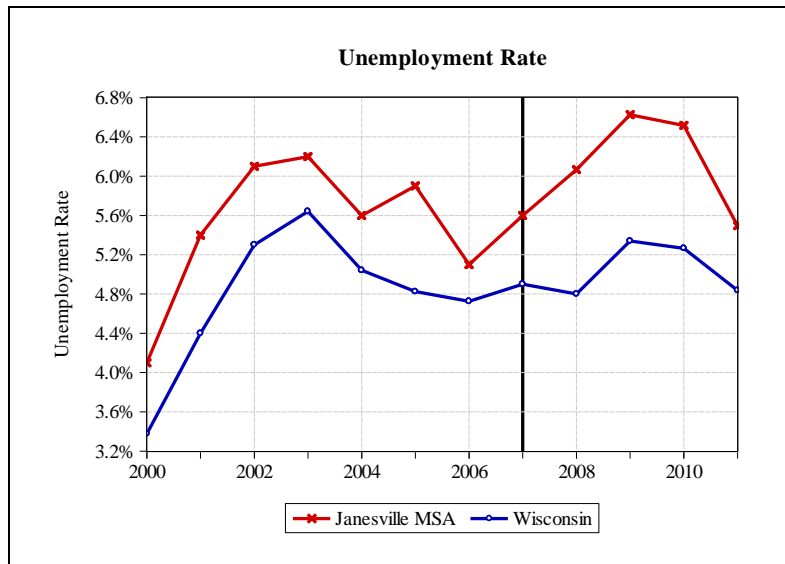
Taking those conditions into account, it is no surprise that total nonfarm employment is expected to decline 1.3% in 2008 and 1.2% in 2009. 2010 is relatively flat, and 2011 is the first year the area experiences an employment increase, with growth of 2.1%. Janesville's largest sector, Trade, Transportation, and Utilities, will see a decrease in employment of 0.4% in 2008 and a 0.4% increase in 2009. Manufacturing, which has been declining in Janesville for most of this decade, will see continued steep losses in employment as the GM plant closes its doors, with an 8.0% decrease in 2008, -9.3% in 2009, and -5.8% in 2010 (the forecast is assuming that the GM layoffs will be spread over the next three years).

Chart II.14



The unemployment rate in the Janesville MSA is the second-highest in the state, reaching 5.6% in 2007, versus 4.9% statewide. Janesville has historically had higher rates than the state (see Chart II.15 below). The unemployment rate rose from 4.1% in 2000 to 6.1% in 2002 and 6.2% in 2003. The unemployment rate then fell to a low of 5.1% in 2006, before creeping back up to 5.6% in 2007. With the Janesville plant closings approaching, the unemployment rate is expected to accelerate, rising to 6.1% in 2008, 6.6% in 2009, and 6.5% in 2010.

Chart II.15



Total personal income growth in the Janesville MSA increased 3.0% in 2007. This growth will be followed by increases of 4.1% in 2008 and 2.5% in 2009. This compares to statewide growth of 5.3% in 2007, 3.4% in 2008 and 2.6% in 2009. In the last two years of the forecast period, income growth accelerates, to 4.3% in 2010 and 5.1% in 2011.

Janesville's per capita personal income is the lowest of the state's MSAs, at \$30,990 in 2007, versus the state's \$36,162. It increased only 2.1% last year, and is 14.0% higher than five years ago. In 2008, per capita personal income is expected to increase 3.7%, followed by increases of 2.0% in 2009 and 3.9% in 2010. The last year of the forecast period, 2011, will see per capita income growth of 4.6%, coming in at \$35,658, below the state's \$41,145.

JANESVILLE METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	68.4	69.3	70.5	70.2	69.3	68.4	68.3	69.8
<i>% change</i>	1.8%	1.3%	1.7%	-0.4%	-1.3%	-1.2%	-0.2%	2.1%
Unemployment Rate	5.6	5.9	5.1	5.6	6.1	6.6	6.5	5.5
Total Personal Income (\$ billions)	4.3	4.5	4.8	4.9	5.2	5.3	5.5	5.8
<i>% change</i>	-1.1%	2.9%	7.8%	3.0%	4.1%	2.5%	4.3%	5.1%
Per Capita Personal Income	27,855	28,467	30,356	30,990	32,139	32,794	34,075	35,658
<i>% change</i>	-2.0%	2.2%	6.6%	2.1%	3.7%	2.0%	3.9%	4.6%

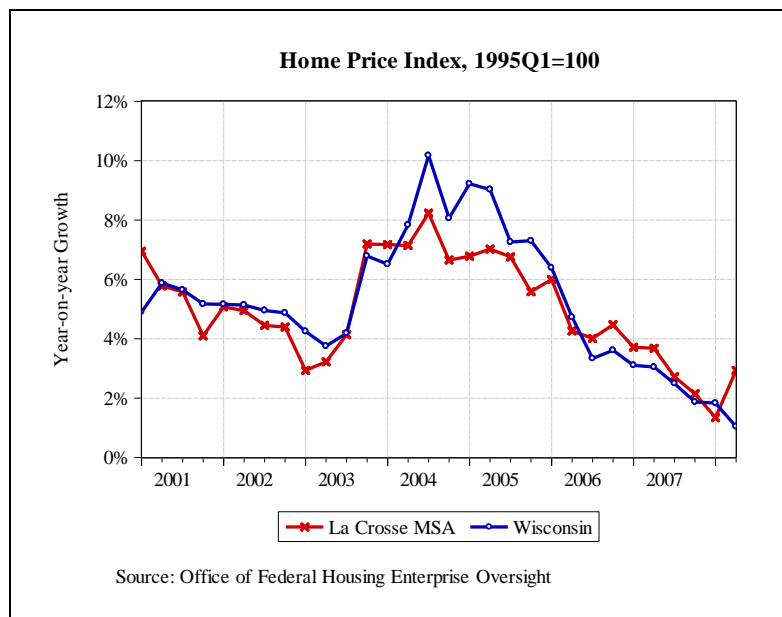
La Crosse

The La Crosse MSA crosses the Mississippi River and includes La Crosse County, WI as well as Houston County, Minnesota. It is Wisconsin's fourth-smallest metro area, with a population increasing 0.7% in 2007 to 131,000. The MSA includes not only the city of La Crosse but also Onalaska and Caledonia, MN. La Crosse is home to a four-year UW campus, Viterbo University, and a branch of the Western Technical College.

Housing in La Crosse

According to the home price index released by the OFHEO, home prices in the La Crosse MSA have grown 27.6% over the past five years. Through this decade prices there have roughly kept pace with prices statewide. In the second quarter of 2008, home prices increased 2.9% over the previous year, and 1.1% over the previous quarter. La Crosse is the only MSA in the state to see quarter over quarter growth in the latest quarter. The Wisconsin Department of Revenue's equalized values show that as of January 1, 2008, total equalized values for residential real estate experienced 2.2% growth in residential property values over the previous year in La Crosse County, with 0.2 percentage point from economic changes.

Chart II.16



The Wisconsin Realtors' Associations provides the median home sales price of all MLS sales by county. For La Crosse County, the median home sales price grew 2.1%, from \$150,700 in the second quarter of 2007 to \$153,800 in the second quarter of this year. However, the number of sales fell, to 340 in the second quarter of 2008 from 371 last year.

Employment

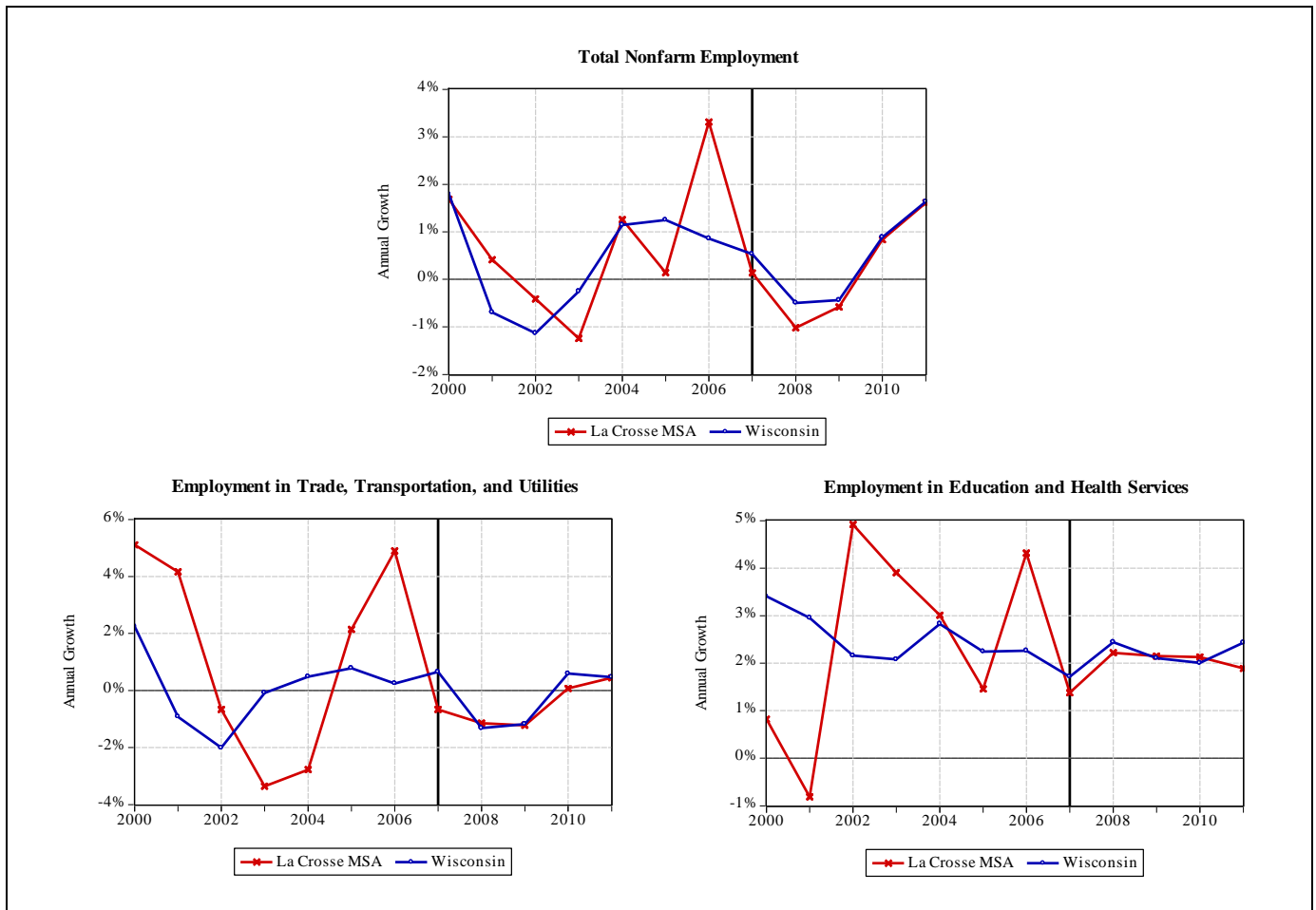
The two largest industries in the La Crosse MSA in 2007 were Trade, Transportation and Utilities (19.9% of total employment), and Education and Health Services (19.6%). Government, including state and local education (14.5% of employment) and Manufacturing (13.2%) were the next largest industries. Some of the largest employers in the region include Gunderson Lutheran Hospitals, Franciscan Skemp Medical Center, American Standard, and KwikTrip.

Total nonfarm employment increased 0.1% in the La Crosse MSA in 2007. The Manufacturing sector showed strong growth, increasing 2.1%. Employment also increased in Professional and Business Services (1.5%), Education and Health Services (1.4%), and Leisure and Hospitality (1.4%). Employment in Construction and Mining decreased 6.9%, Government fell 0.9%, and Trade, Transportation and Utilities declined 0.7%.

The Forecast

The La Crosse MSA is forecasted to see a 1.0% decline in total nonfarm employment in 2008. The following year, employment will drop 0.6% before returning to positive growth in 2010 and 2011 of 0.8% and 1.6%, respectively. The La Crosse area's largest employment sector, Trade, Transportation, and Utilities, will see declines of 1.1% in 2008 and 1.2% in 2009. Meanwhile, employment in Education and Health Services will see continued growth, with a 2.2% increase in both years.

Chart II.17

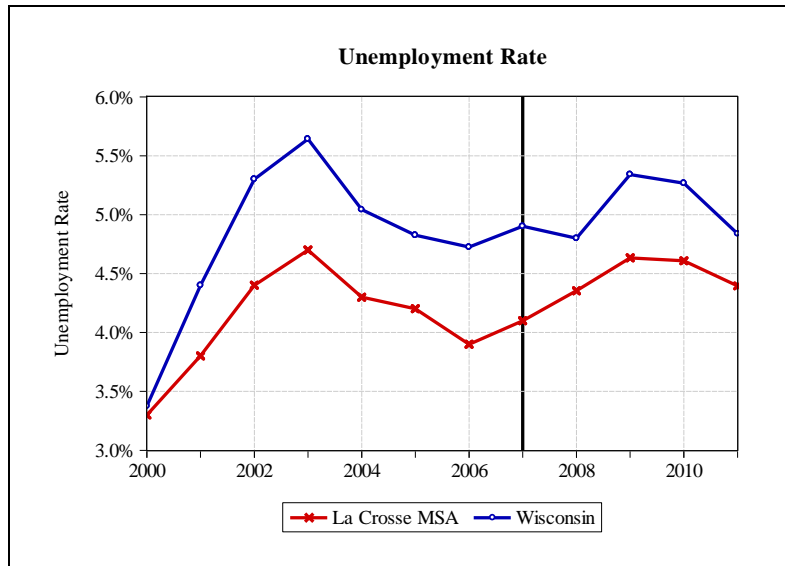


In the La Crosse MSA, the unemployment rate has been about one percentage point lower than that of the state during the past five or six years (see Chart II.18). The rate rose from 3.3% in 2000 to a high of 4.7% in 2003. It then fell back to 3.9% in 2006 before rising to 4.1% in 2007. In the forecast, the La Crosse MSA unemployment rate rises to 4.4% in 2008 and then to 4.6% in 2009 and 2010. In 2011 the unemployment rate falls to 4.4%.

Total personal income increased 5.5% in 2007, faster than the state's 5.3% increase. This growth is expected to slow over the next two years, to 4.2% in 2008 and 2.8% in 2009. This compares to the statewide forecast of 3.4% growth in 2008 and 2.6% in 2009. Personal income growth then accelerates over the remainder of the forecast period, to 4.6% in 2010 and 5.3% in 2011.

The per capita personal income for the La Crosse MSA increased 4.7% in 2007, to \$33,091. This is below the state per capita personal income of \$36,162. In La Crosse, per capita personal income has risen 21.1% since 2002, slightly faster than the state increase of 20.3%. Going forward, per capita personal income will increase 3.4% in 2008 and 2.0% in 2009. Growth will then accelerate to 3.8% in 2010 and 4.5% in 2011, with per capita personal income reaching \$37,861.

Chart II.18



LA CROSSE METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	72.4	72.5	74.9	75.0	74.2	73.8	74.4	75.6
<i>% change</i>	1.3%	0.1%	3.3%	0.1%	-1.0%	-0.6%	0.8%	1.6%
Unemployment Rate	4.3	4.2	3.9	4.1	4.4	4.6	4.6	4.4
Total Personal Income (\$ billions)	3.7	3.9	4.1	4.3	4.5	4.6	4.9	5.1
<i>% change</i>	2.8%	4.1%	5.7%	5.5%	4.2%	2.8%	4.6%	5.3%
Per Capita Personal Income	28,975	30,050	31,594	33,091	34,207	34,885	36,216	37,861
<i>% change</i>	2.6%	3.7%	5.1%	4.7%	3.4%	2.0%	3.8%	4.5%

Madison

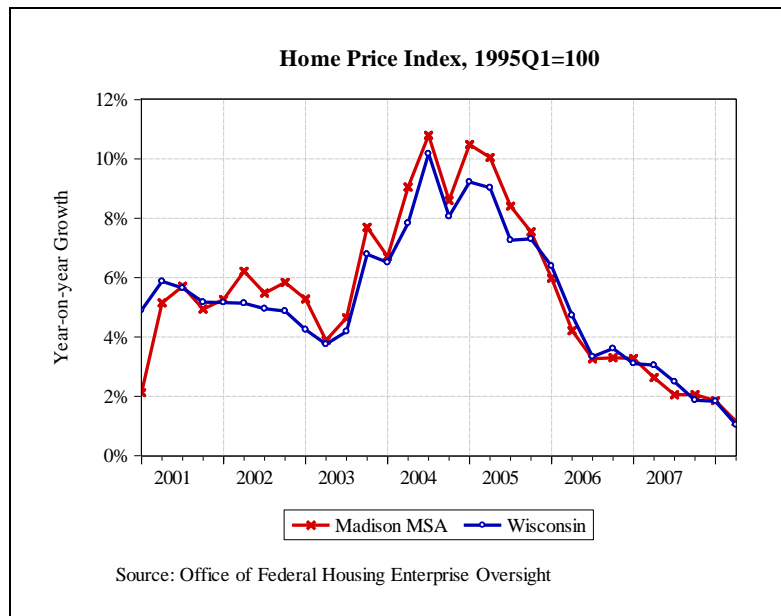
The Madison MSA is Wisconsin's second largest MSA and includes Dane, Columbia, and Iowa Counties. It is the fastest growing MSA, with population growth of 1.4% in 2007, to 556,000. Besides the city of Madison, the MSA includes the cities of Sun Prairie, Fitchburg, Middleton, and Stoughton in Dane County; Portage in Columbia County, and Dodgeville in Iowa County. Madison is home to the main UW campus, as well as the Madison Area Technical College (MATC) and Edgewood College. A second MATC Campus is located in Portage.

Housing in Madison

The OFHEO recently released its home price index from the second quarter of 2008 for the Madison MSA. The data showed that home prices in Madison rose 29.8% in the last five years. This is slightly greater than the 28.2% growth in Wisconsin during the same period. Madison home price increases have roughly followed the same path as the state, peaking in mid-2004 and then slowing to around 2.0% in 2007. In the second quarter of this year, home prices slumped 0.5% compared to the first quarter, but were still 1.2% above last year.

The 2008 equalized values released by the Wisconsin Department of Revenue for residential properties in the three-county Madison MSA rose 3.3% in 2007, with 1.1 percentage points of this increase due to economic change. This data was compiled from the values for the individual counties. Dane County showed the slowest growth due to economic changes, at 0.9%, while Columbia County saw values increase 2.2%, and Iowa County values increased 2.9%.

Chart II.19



Using home price values from the National Association of Realtors, the median price of an existing single-family home in the Madison MSA was \$227,400 in the second quarter of 2008. This is an increase of 1.7% over the previous year. The median price of an existing home is higher in the Madison MSA than any of the other MSAs, and higher than in the state overall. The median existing home price in Wisconsin in the second quarter of 2008 was \$162,200, a 3.0% decrease from the prior year.

Employment

The largest industry in the Madison MSA is Government, including state and local education, which is 23.2% of total nonfarm employment. The large proportion of government employment in Madison is due to the concentration of state government and the UW Madison Campus, which is the largest UW campus in the state.

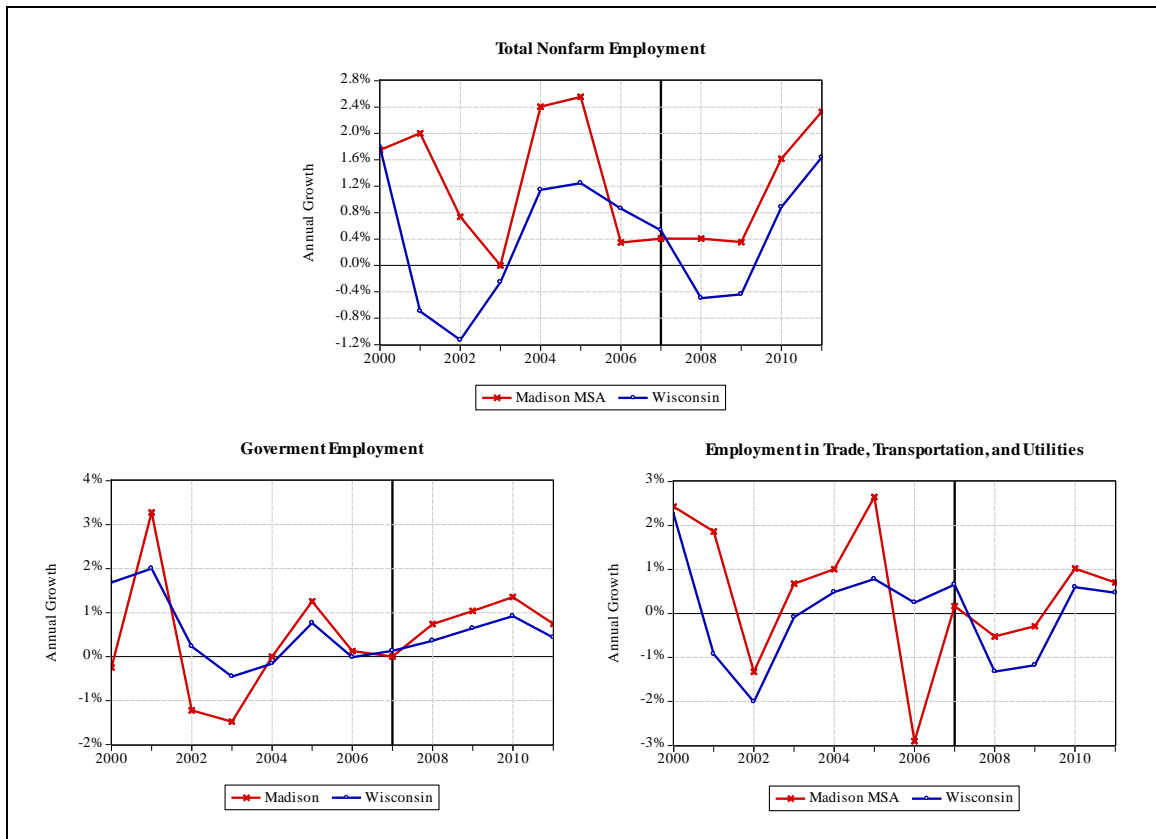
Other large industries include Trade, Transportation and Utilities (17.3% of employment), Professional and Business Services (10.7%), and Education and Health Services (10.2%). Large employers include American Family Insurance, UW Hospital and Clinics, WPS, Epic Systems, Meriter Hospital, and Lands' End.

Total nonfarm employment grew 0.4% in the Madison MSA in 2007. Information had the greatest increase in employment at 4.5%, followed by Professional and Business Services (4.2% growth), and Education and Health Services (1.4%). Construction and Mining saw a decline of 2.9%.

The Forecast

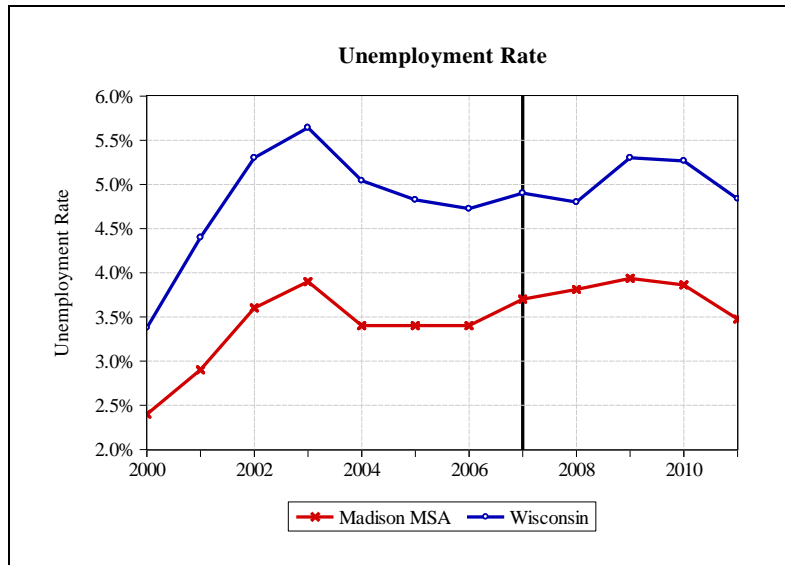
Total nonfarm employment growth in the Madison MSA is expected to increase 0.4% in 2008, in contrast to the 0.5% decline statewide. This increase is equal to 1,400 new jobs in the Madison area. Growth is also expected to equal 0.4% in 2009, with growth accelerating to 1.6% in 2010 and 2.3% in 2011. The area's largest employment sector, Government, including state and local education, is expected to increase 0.7% in 2008, after seeing zero growth in 2007. Employment growth in this sector is expected to increase in 2009 by 1.0%, following a path similar to Government employment in Wisconsin. Government employment, statewide and in Madison, gets a boost in 2010 as the federal government conducts the 2010 census. The second-largest employment sector, Trade, Transportation, and Utilities, is expected to decline during the first two years of the forecast period, by 0.5% in 2008 and 0.3% in 2009. Positive growth returns to this sector in 2010 and 2011.

Chart II.20



Historically, the Madison MSA has had a very low and steady unemployment rate (see Chart II.21). During the last downturn, the unemployment rate rose from 2.4% in 2000 to 3.9% in 2003. This is about 1.5 percentage points lower than the state unemployment rate. The rate then fell to 3.4% during the period from 2004 to 2006 before rising to 3.7% in 2007. This year the rate is expected to increase to 3.8%, and then rise to 3.9% in 2009 and 2010, before sliding down to 3.5% in 2011.

Chart II.21



Total personal income in the Madison MSA grew 5.4% in 2007, versus growth of 5.3% for the state as a whole. In 2008, growth will slow to 3.4% and then to 3.2% in 2009. This is similar to the statewide forecast of 3.4% growth in 2008 and 2.6% in 2009. After that, growth in personal income will accelerate to 5.1% in 2010 and 5.8% in 2011.

The Madison MSA has the highest per capita personal income in the state, at \$41,679 in 2007. This is slightly higher than the Milwaukee MSA and quite a bit higher than the state at \$36,162. Per capita personal income rose 4.0% in 2007, and has risen 20.5% over the last five years. However, growth will slow in 2008, with per capita personal income rising 2.2% to \$42,615. Growth will slow further in 2009 to 2.0%, before rebounding to 3.9% growth in 2010 and 4.6% in 2011. At the end of the forecast period, per capita personal income will be \$47,246 in the Madison MSA.

MADISON METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	336.4	345.0	346.2	347.6	349.0	350.2	355.9	364.2
<i>% change</i>	2.4%	2.6%	0.3%	0.4%	0.4%	0.4%	1.6%	2.3%
Unemployment Rate	3.4	3.4	3.4	3.7	3.8	3.9	3.9	3.5
Total Personal Income (\$ billions)	19.6	20.7	22.0	23.2	23.9	24.7	26.0	27.5
<i>% change</i>	5.0%	5.4%	6.1%	5.4%	3.4%	3.2%	5.1%	5.8%
Per Capita Personal Income	36,760	38,281	40,088	41,679	42,615	43,478	45,164	47,246
<i>% change</i>	3.6%	4.1%	4.7%	4.0%	2.2%	2.0%	3.9%	4.6%

Milwaukee-Waukesha-West Allis

The Milwaukee MSA is made up of Milwaukee, Waukesha, Ozaukee, and Washington Counties. It is Wisconsin's largest MSA, with 1.5 million residents in 2007. It includes Milwaukee, West Allis, Wauwatosa, and Greenfield in Milwaukee County; Waukesha, New Berlin, and Brookfield in Waukesha County; Mequon and Cedarburg in Ozaukee County; and West Bend and Germantown in Washington County. Ozaukee County was recently ranked the second best place to raise a family², and Milwaukee was named the third best city for commuters.³

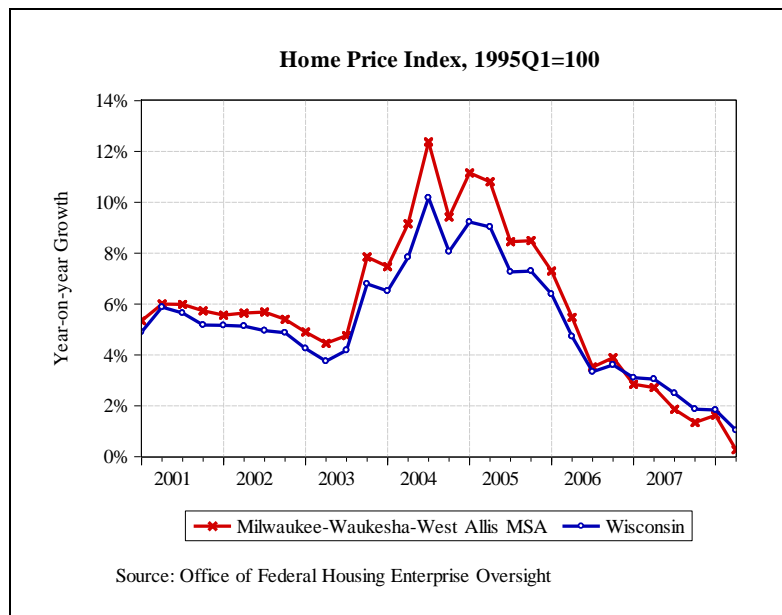
Home to the Milwaukee Bucks professional basketball team and the Milwaukee Brewers baseball club, the Milwaukee MSA hosts three UW campuses and multiple campuses of three tech college system schools: Waukesha County, Moraine Park, and the Milwaukee Area Technical Colleges. In addition, Milwaukee is home to several private colleges, such as Marquette University, the Medical College of Wisconsin, Alverno College, the Milwaukee School of Engineering and others.

Housing in the Milwaukee-Waukesha-West Allis MSA

Home prices in the Milwaukee area have increased 31.4% over the last five years, greater than the 28.2% increase seen statewide. Growth in Milwaukee mostly outpaced the state, although in the past few years growth has lagged behind the state. The OFHEO report for the second quarter of 2008 showed that home prices declined 0.9% versus the first quarter, although they increased 0.3% versus a year ago.

The Wisconsin Department of Revenue's 2008 residential equalized values increased 1.2%, although economic changes brought values down one-tenth of a percentage point. MSA totals were reached by combining county-wide data. The declines were seen in Waukesha and Ozaukee Counties. Milwaukee County saw no change due to economic conditions, while Washington County saw a 0.1% increase due to economic change.

Chart II.22



The median home price of existing single-family homes in the Milwaukee MSA decreased 4.1% in the second quarter of 2008, according to data from the National Association of Realtors. At \$219,900, median prices in the four-county area were the second-highest of all the MSAs and above the state median price of \$162,200.

² Forbes, www.forbes.com, June 30, 2008.

³ Forbes, www.forbes.com, April 25, 2008.

Employment

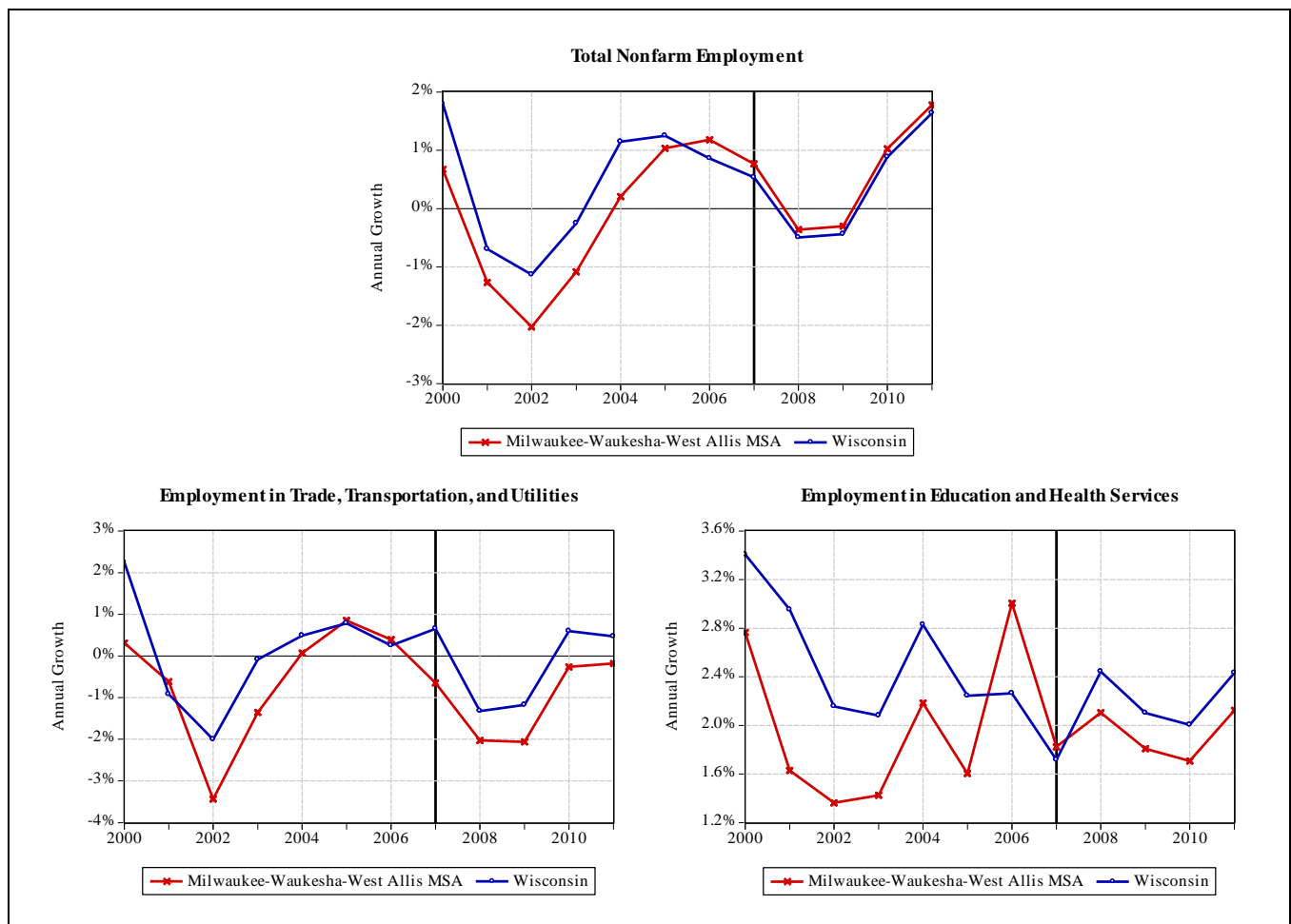
Traditionally a Manufacturing hub, this sector has decreased in importance over the past several decades. Trade, Transportation and Utilities is now the largest employment sector with 17.9% of total nonfarm employment. Education and Health Services is the second largest employment sector, with 16.3% of total employment, followed by Manufacturing (15.5%) and Professional and Business Services (13.3%). Large employers in the area include Aurora Health Care, Northwestern Mutual Insurance, Columbia St. Mary's (clinics and hospitals), Leggett and Platt (foundries), Rockwell Automation (industrial manufacturing), and others.

Total nonfarm employment increased 0.8% in the Milwaukee MSA in 2007. The fastest employment growth was seen in Leisure and Hospitality (2.8% growth), followed by Construction and Mining (2.3%) and Professional and Business Services (2.2%). Manufacturing employment decreased 0.2% while Government, including state and local education, fell 0.7%.

The Forecast

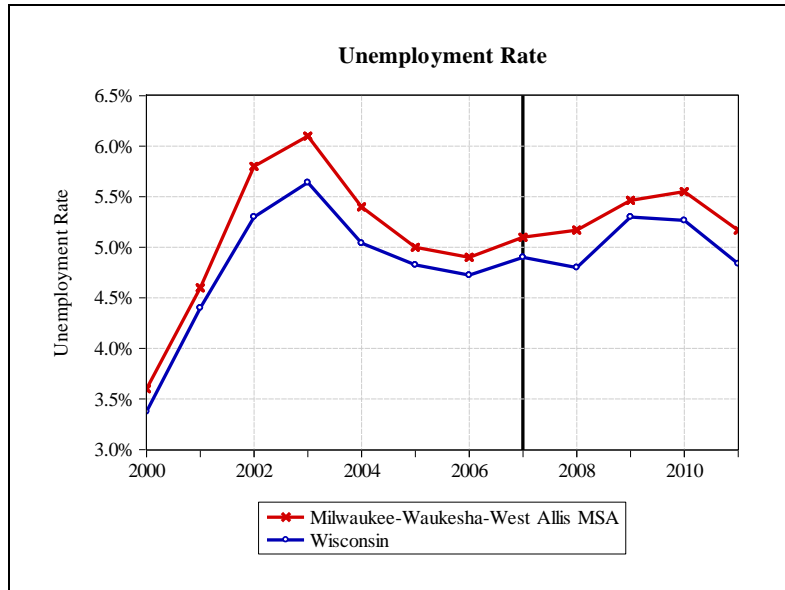
Total nonfarm employment in the four-county Milwaukee area is expected to decline 0.4% in 2008, faring only slightly better than the state with its 0.5% decline. The Milwaukee MSA will see a 0.3% employment decline in 2009 before returning to positive growth of 1.0% in 2010 and 1.8% in 2011. Milwaukee's largest employment sector, Trade, Transportation and Utilities, will see employment declines of 2.0% in 2008 and 2.1% in 2009. After that, growth declines slow to 0.3% in 2010 and 0.2% in 2011. The area's second-largest industry, Education and Health Services, fares much better, with an increase in employment of 2.1% in 2008 and 1.8% in 2009. This strong growth continues throughout the forecast period.

Chart II.23



So far this decade, the Milwaukee MSA's unemployment rate is slightly higher than the statewide rate (see Chart II.24). The rate rose from 3.6% in 2000 to 6.1% in 2003. The unemployment rate then declined the next four years, to 4.9% in 2006. The rate increased last year to 5.1%, and is expected to increase further the next few years, to 5.2% in 2008 and 5.5% in 2009 and 2010. The rate then declines in 2011, to 5.2%.

Chart II.24



Total personal income grew 4.9% in the Milwaukee MSA in 2007, to \$63.9 billion. Personal income will rise at a slower rate in the following years, increasing 3.1% in 2008 and 2.2% in 2009. This compares to the statewide forecast of 3.4% growth in 2008 and 2.6% in 2009. Following the pattern seen in state personal income, growth in personal income will then accelerate, increasing 4.0% in 2010 and 4.7% in 2011.

Per capita personal income grew 4.6% in the Milwaukee MSA in 2007, to \$41,358. It has increased 20.8% over the past five years and is above the state per capita personal income of \$36,162. In the forecast, growth will slow as total personal income growth slows to 2.8% in 2008 and 2.0% in 2009. The growth rate then nearly doubles in 2010 to 3.8% and increases 4.5% to \$47,060 in 2011.

MILWAUKEE-WAUKESHA-WEST ALLIS METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	832.1	840.7	850.6	857.1	854.0	851.4	860.1	875.4
<i>% change</i>	0.2%	1.0%	1.2%	0.8%	-0.4%	-0.3%	1.0%	1.8%
Unemployment Rate	5.4	5.0	4.9	5.1	5.2	5.5	5.5	5.2
Total Personal Income (\$ billions)	54.9	57.4	60.9	63.9	65.8	67.3	70.0	73.3
<i>% change</i>	3.8%	4.4%	6.2%	4.9%	3.1%	2.2%	4.0%	4.7%
Per Capita Personal Income	35,850	37,361	39,536	41,358	42,519	43,363	45,016	47,060
<i>% change</i>	3.4%	4.2%	5.8%	4.6%	2.8%	2.0%	3.8%	4.5%

Oshkosh-Neenah

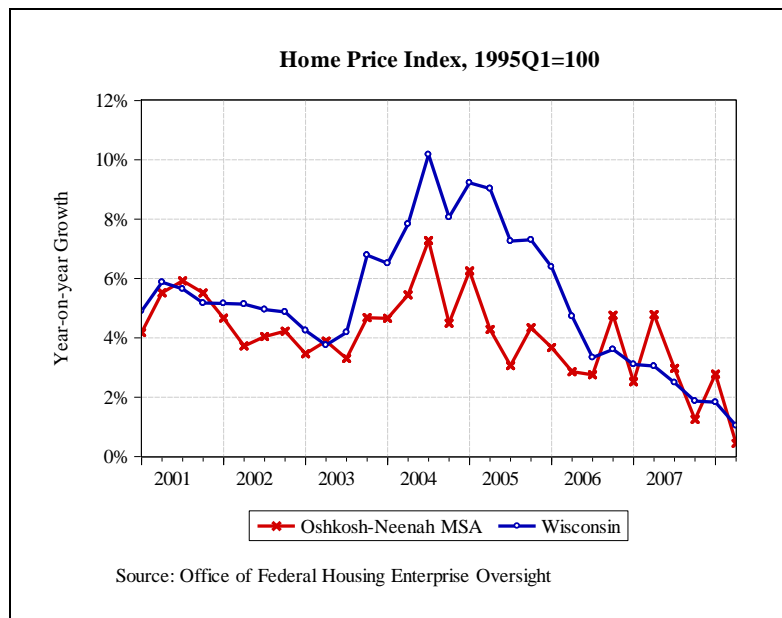
The Oshkosh-Neenah MSA is made up of Winnebago County. It is located in the Fox Valley region between Fond du Lac and Appleton. The Oshkosh-Neenah MSA is the sixth-largest metropolitan area in the state. In 2007 it experienced 0.7% population growth, expanding to 162,000 residents. The MSA is centered around sister cities Oshkosh and Neenah and also includes the cities of Menasha and Algoma. Oshkosh is home to a four-year UW campus and a branch of the Fox Valley Technical College.

Housing in Oshkosh-Neenah

So far this decade the Oshkosh-Neenah MSA has seen moderate growth in its home prices, as measured by the OFHEO home price index. Prices there grew slightly slower than the state as a whole, and, like the state, they peaked in mid-2004. Since 2006 prices have been increasing between 3% and 5% in the Oshkosh-Neenah MSA. Over the past five years, prices have increased 19.0%. The data from the second quarter of 2008 show that home prices decreased 1.1% versus the first quarter of the year, but they are up slightly (0.4%) compared to last year.

The Wisconsin Department of Revenue's residential equalized values show that as of January 1, 2008, total equalized values for residential real estate increased 2.7% over 2007. Economic change accounted for 1.2 percentage points of this increase, and the rest to new construction and other changes.

Chart II.25



The median home price, based on MLS sales data from the Wisconsin Realtors Association, was \$132,000 in the Oshkosh-Neenah MSA during the second quarter of 2008. This is an increase of 0.5% from a year earlier. The number of homes sold has decreased 20.7%, from 590 in the second quarter of last to 468 in the second quarter of 2008.

Employment

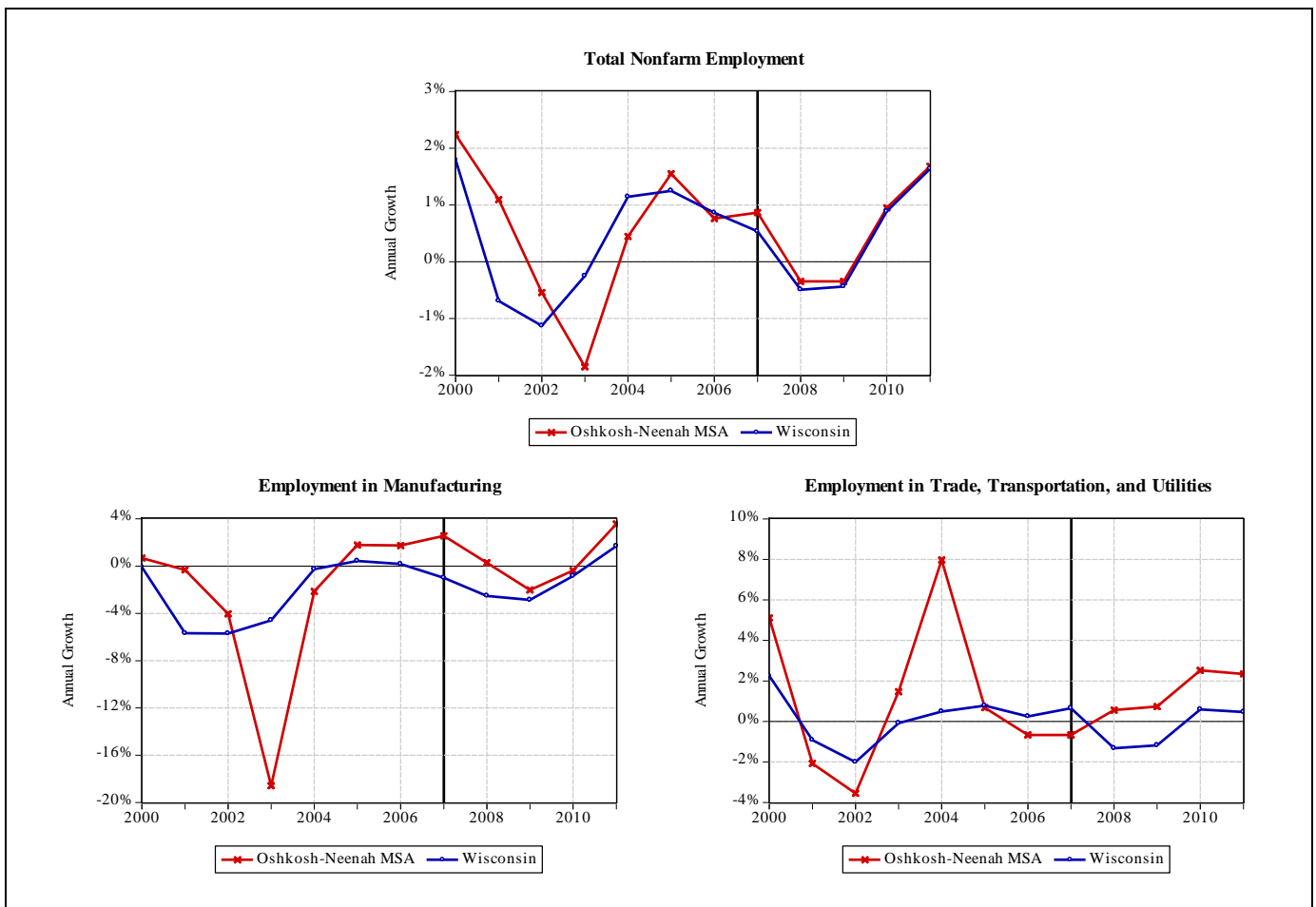
The largest industries in the Oshkosh-Neenah MSA in 2007 were Manufacturing, with 25.8% of total nonfarm employment, and Trade, Transportation and Utilities (15.8% of employment). Government, including state and local education was the next largest industry sector (13.6% of employment), followed by Education and Health Services (13.0%). Large employers in the area include Kimberly Clark, Oshkosh Corporation, Pierce Manufacturing, Thedacare, and Plexus Services Group.

Total nonfarm employment increased 0.9% in the Oshkosh-Neenah MSA in 2007. The fastest growing industry was Education and Health Services, with an increase of 9.0% in 2007. Manufacturing employment also increased, rising 2.6%, and government employment grew 0.8%. At the same time, Construction and Mining employment fell 10.8% and Professional and Business Services decreased 3.9%.

The Forecast

Total nonfarm employment in the Oshkosh-Neenah MSA is forecasted to decrease 0.3% in 2008, in contrast to a 0.5% decline for Wisconsin overall. A decline of 0.3% is also expected in 2009 before positive growth returns in 2010 and 2011. The area's largest employment sector, Manufacturing, is expected to increase 0.3% in the Oshkosh-Neenah MSA in 2008 and then fall 2.0% in 2009. The second-largest employment sector in the area, Trade, Transportation and Utilities, is expected to increase 0.6% in 2008, followed by 0.7% growth in 2009.

Chart II.26

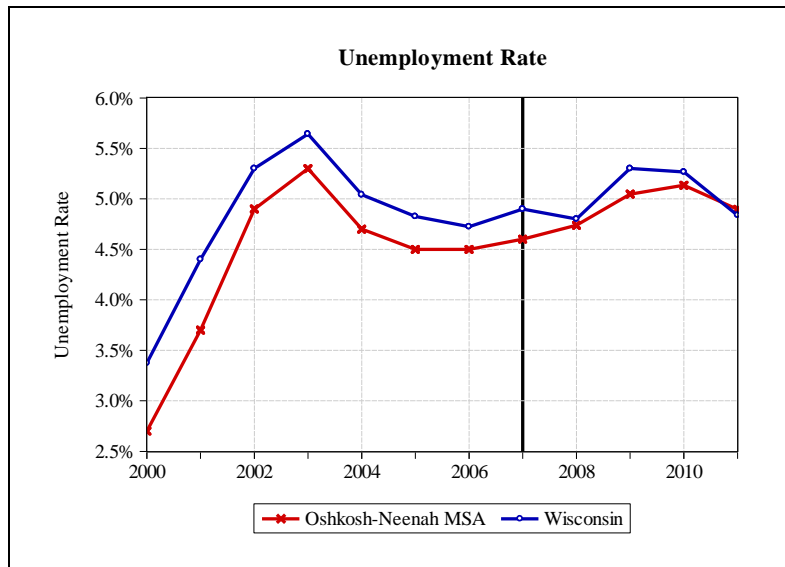


The unemployment rate in the Oshkosh-Neenah MSA closely follows the rate in the state, which is just slightly higher (see Chart II.27 on the next page). The Oshkosh-Neenah unemployment rate rose from 2.7% in 2000 to 5.3% in 2003. Since then, it has declined to 4.5% in 2005 and 2006 but rose slightly to 4.6% last year. In the forecast, the area's unemployment rate is expected to rise to 4.7% this year and then to 5.1% in 2009 and 2010. In 2011, it begins to fall and drops to 4.9%.

Total personal income grew 6.5% in 2007, compared with 5.3% growth seen in the state. In 2008, growth in total personal income will slow to 3.8% in the Oshkosh-Neenah MSA, followed by a further slowdown to 2.7% in 2009. Growth will then resume more robust growth, with a 4.5% increase in 2010 and 5.2% in 2011.

Per capita personal income in the Oshkosh-Neenah MSA is similar to that of the state, at \$35,825 in 2007, versus \$36,162 statewide. In the Oshkosh-Neenah MSA, the per capita personal income increased 5.8% in 2007 and has risen 20.7% since 2002. Growth in per capita personal income is expected to slow in 2008 to 3.0% and then to 2.0% in 2009. Faster growth then resumes, as per capita personal income increases 3.8% in 2010 and 4.5% in 2011, ending the forecast period at \$40,855.

Chart II.27



OSHKOSH-NEENAH METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	90.5	91.9	92.6	93.4	93.1	92.8	93.6	95.2
% change	0.4%	1.5%	0.8%	0.9%	-0.3%	-0.3%	0.9%	1.7%
Unemployment Rate	4.7	4.5	4.5	4.6	4.7	5.1	5.1	4.9
Total Personal Income (\$ billions)	5.0	5.2	5.5	5.8	6.0	6.2	6.5	6.8
% change	1.6%	4.2%	4.7%	6.5%	3.8%	2.7%	4.5%	5.2%
Per Capita Personal Income	31,466	32,572	33,874	35,825	36,906	37,640	39,077	40,855
% change	1.3%	3.5%	4.0%	5.8%	3.0%	2.0%	3.8%	4.5%

Racine

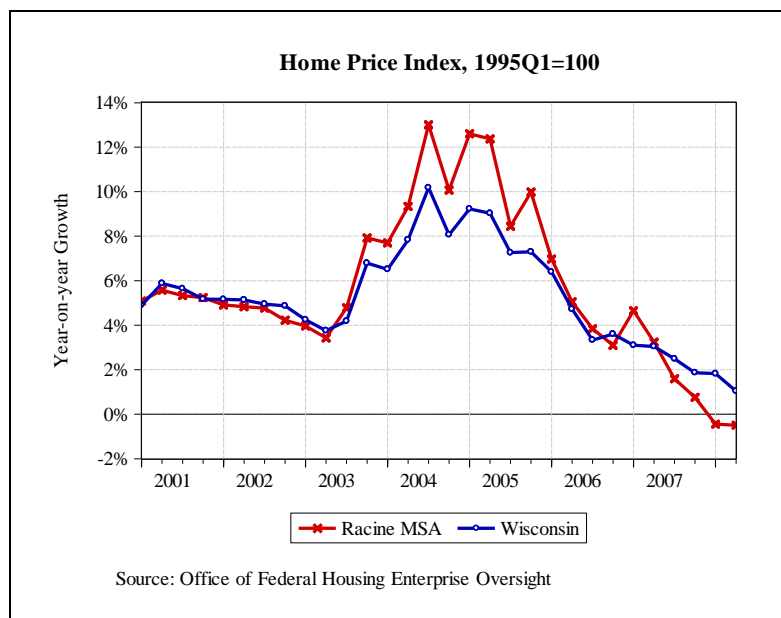
The Racine MSA is made up of Racine County, just south of the Milwaukee area on the edge of Lake Michigan. It is the fifth-largest MSA in Wisconsin, with a population of 195,000 in 2007. Besides the city of Racine, the MSA includes Mount Pleasant, Caledonia, Burlington, and Sturtevant. Racine is home to a branch of the Gateway Technical College.

Housing in Racine

Home prices in the Racine MSA, as reflected by the OFHEO Home Price Index, increased 32.6% over the past five years. This is faster than the state overall and the fastest increase of all the 12 MSAs in the state. Racine's proximity to Chicago and relatively low home prices contributed to this increase. Unfortunately, home prices are beginning to decline on an annual basis. The data from the second quarter of 2008 revealed that prices in Racine declined 1.0% compared to the first quarter and 0.5% compared to a year ago.

The Wisconsin Department of Revenue's equalized values also show weak growth in residential properties. In the year ended January 1, 2008, residential values increased 1.7%. Economic changes contributed growth of 0.3 percentage point.

Chart II.28



The median home price in the Racine MSA, from the Wisconsin Realtors' Association MLS sales data, was \$163,600 in the second quarter of 2008. This is a decrease of 0.8% since the same period last year. The number of sales also fell, declining 14.6% to 572 sales during the second quarter of this year from 670 during the same period last year.

Employment

The largest industry group in the Racine MSA in 2007 was Manufacturing, which made up 22.8% of total nonfarm employment. The next largest industry group was Trade, Transportation and Utilities (19.1% of employment), followed by Education and Health Services (13.9%) and Government, including state and local education (12.7%). Large employers in the area include Wheaton Franciscan Healthcare, S.C. Johnson, CNH America, and Emerson Electric (appliance manufacturing).

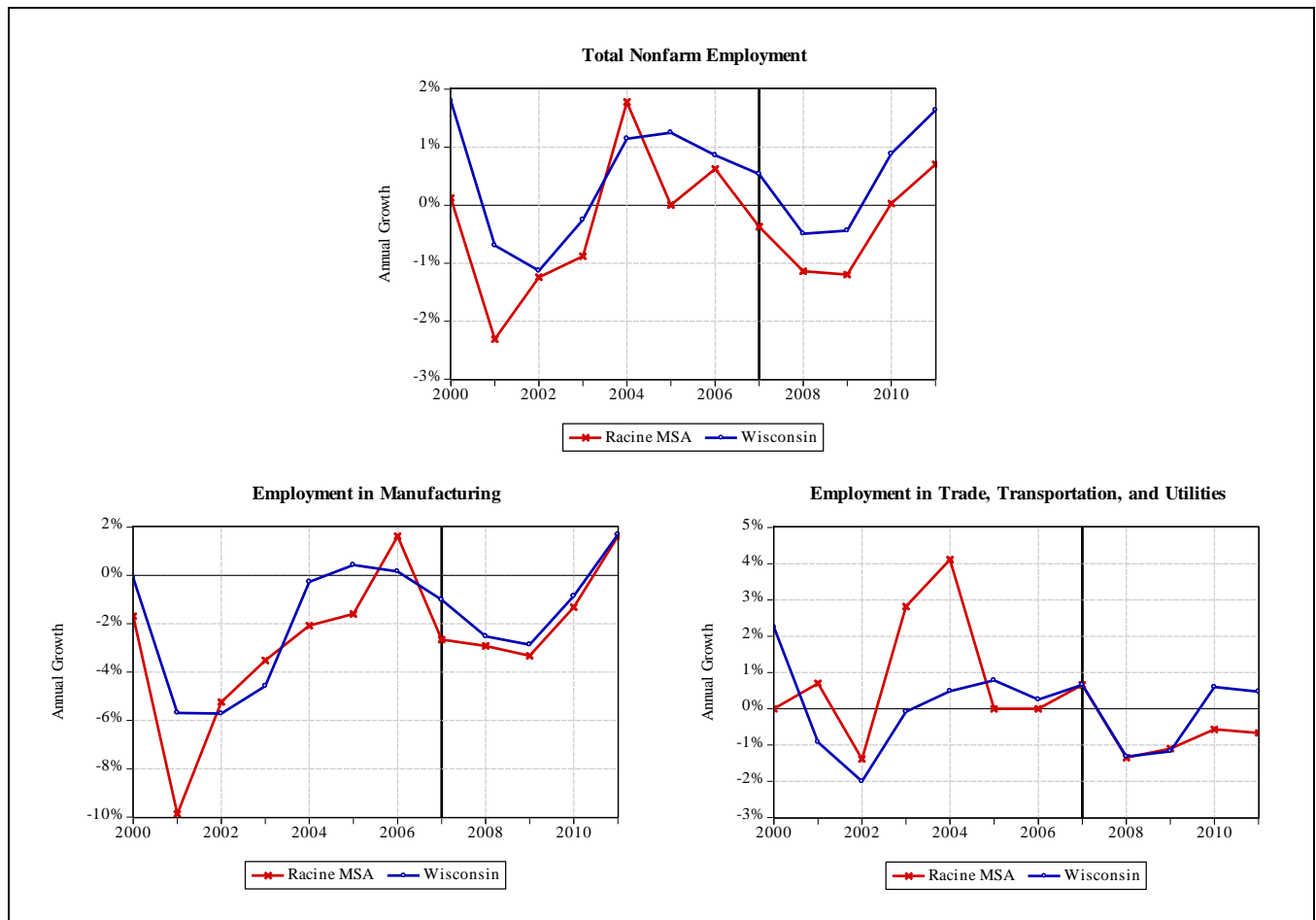
In 2007, total nonfarm employment decreased 0.4% in the Racine MSA. Racine and Janesville were the only two MSAs to see employment declines in 2007. Employment declines were seen in Construction and Mining (-5.9%),

Manufacturing (-2.7%), and Professional and Business Services (-2.9%). However, employment also increased in many sectors, including Leisure and Hospitality (2.9% increase), Education and Health Services (2.8%), and Other Services Except Public (2.1%).

The Forecast

Total nonfarm employment in the Racine MSA is expected to decline 1.1% in 2008, with a further decrease of 1.2% in 2009. There is no change expected for employment in 2010, but growth returns in 2011 with a 0.7% increase in employment. Manufacturing, the largest employment sector in the area, is expected to decrease 2.9% in 2008, followed by a drop of 3.3% in 2009. Trade, Transportation and Utilities, the second-largest employment sector, will also experience declines, with employment falling 1.4% in 2008 and 1.1% in 2009.

Chart II.29

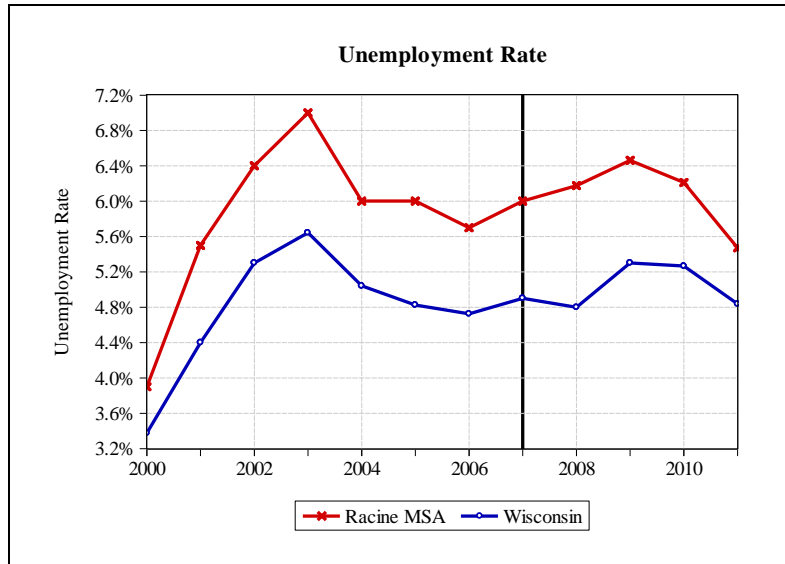


The unemployment rate in the Racine MSA has been higher than that of the state for all of this decade (see Chart II.30 on the next page). The rate rose from a low of 3.9% in 2000 to 7.0% in 2003 – the highest of all the metro areas during the last economic downturn, and well above the state rate of 5.6%. Since then, the rate has declined to 5.7% in 2006. It climbed to 6.0% in 2007, and is expected to rise farther over the next few years, to 6.2% in 2008, 6.5% in 2009, and 6.2% in 2010. The rate then tumbles to 5.5% in 2011.

Total personal income in the Racine MSA grew 5.0% in 2007, a little slower than the state's 5.3% increase. In 2008, growth in total personal income will slow to a 3.7% increase and then further to 2.3% growth in 2009. Strong growth returns in the last two years of the forecast period, with 4.1% growth in 2010 and 4.8% in 2011.

Per capita personal income increased 4.7% in the Racine MSA in 2007, reaching \$36,869. This is slightly above the state per capita personal income of \$36,162. Growth is then expected to slow, with the Racine per capita personal income increasing 3.4% in 2008 and 2.0% in 2009. The growth rate picks up after that, increasing 3.8% in 2010 and 4.5% in 2011, to \$42,152.

Chart II.30



RACINE METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	80.1	80.1	80.6	80.3	79.4	78.4	78.5	79.0
<i>% change</i>	1.8%	0.0%	0.6%	-0.4%	-1.1%	-1.2%	0.0%	0.7%
Unemployment Rate	6.0	6.0	5.7	6.0	6.2	6.5	6.2	5.5
Total Personal Income (\$ billions)	6.3	6.5	6.9	7.2	7.5	7.6	7.9	8.3
<i>% change</i>	4.5%	2.5%	5.8%	5.0%	3.7%	2.3%	4.1%	4.8%
Per Capita Personal Income	32,844	33,404	35,209	36,869	38,122	38,870	40,338	42,152
<i>% change</i>	3.9%	1.7%	5.4%	4.7%	3.4%	2.0%	3.8%	4.5%

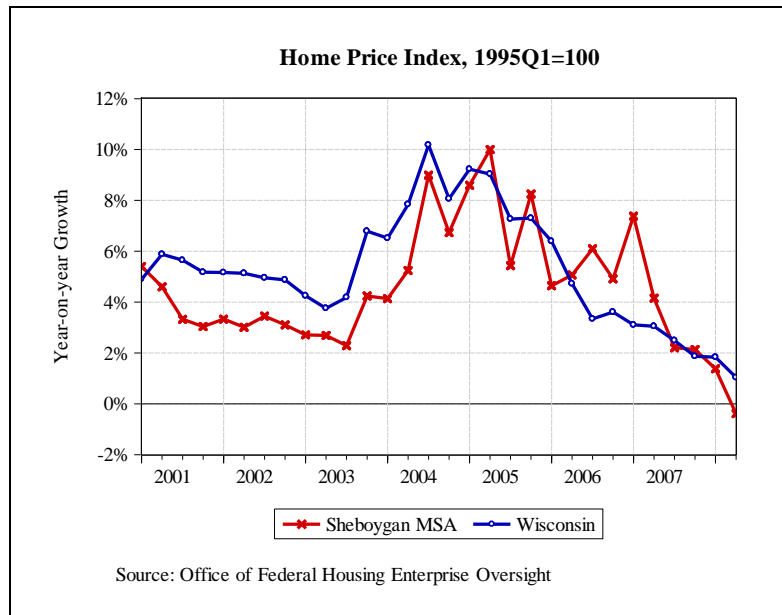
Sheboygan

The Sheboygan MSA is the second smallest of the state's MSAs. Made up of Sheboygan County on the shores of Lake Michigan, the metro area had a population of 114,500 in 2007, an increase of 0.5% from 2006. Besides the city of Sheboygan, the MSA also includes Plymouth, Sheboygan Falls, and Wilson. Sheboygan is home to a two-year UW campus and Lakeland College.

Housing in Sheboygan

The OFHEO recently released its home price index for the second quarter of this year. The data revealed that home prices in the Sheboygan MSA have increased 26.2% over the past five years, growth which is slightly below the Wisconsin rate of 28.2%. Over the past year, however, prices have decreased 0.4%, and have fallen 1.6% compared to just a quarter earlier. Using data from the Wisconsin Department of Revenue's 2008 equalized values report, residential values increased 3.3% during 2007. Economic change accounted for 1.5 percentage points of this increase, and the rest to new construction and other changes.

Chart II.31



The median home price in the Sheboygan MSA, from the Wisconsin Realtors' Association MLS sales data, was \$143,100 in the second quarter of 2008. This is a decrease of 2.0% since the same period last year. The number of sales also fell, declining 12.3% from 389 in the second quarter last year to 341 sales during the second quarter of 2008.

Employment

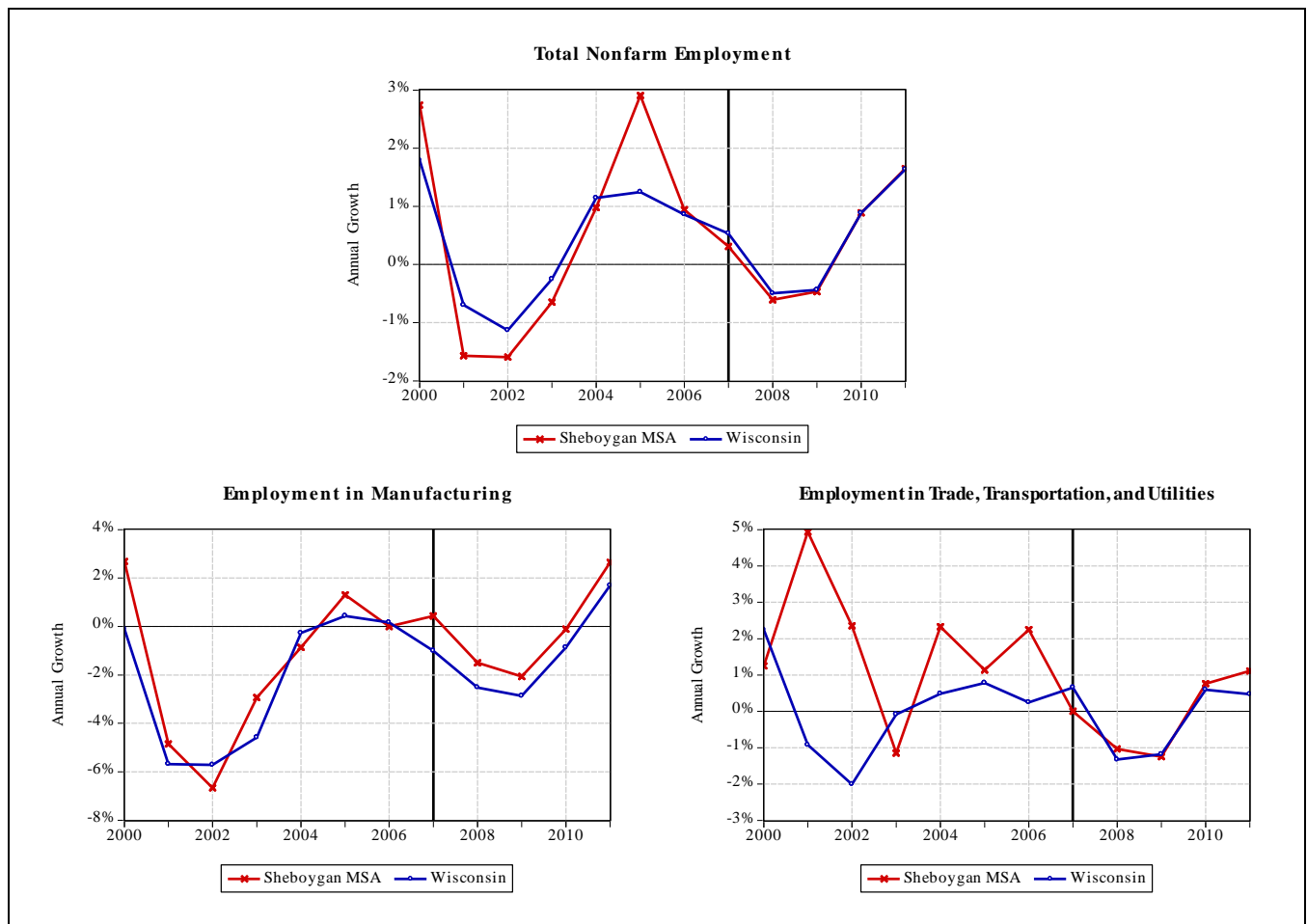
The largest industry group in the Sheboygan MSA in 2007 was Manufacturing. This sector was 36.1% of total nonfarm employment in the area, which is the largest concentration of manufacturing in all of the MSAs. Manufacturing in the state is only 17.4% of total nonfarm employment. The next largest industries were Trade, Transportation and Utilities (14.1% of employment), Education and Health Services (12.4%), and Government, including state and local education (9.9%). Large employers in the area include the Kohler Company, Bemis Manufacturing, J. L. French Automotive, and Aurora Medical.

Total nonfarm employment grew 0.3% in the Sheboygan MSA in 2007. The fastest-growing industries were Professional and Business Services (4.8% growth), Other Services Except Public (3.3%), Education and Health Services (2.6%), and Leisure and Hospitality (2.0%). At the same time, employment in Construction and Mining decreased 7.7% and Government, including state and local education, decreased 1.5%.

The Forecast

Total nonfarm employment in the Sheboygan MSA is expected to decrease during the next two years, falling 0.6% in 2008 and 0.5% in 2009. Its growth path is very similar to that of the state. After that, the employment picture is expected to improve, with increases of 0.9% in 2010 and 1.7% in 2011. Manufacturing, the area's largest employment sector, is expected to see employment declines of 1.5% in 2008 and 2.1% in 2009. Trade, Transportation, and Utilities, the second-largest sector, is also expected to decrease over the next two years, with declines of 1.0% and 1.2%. Growth returns to these sectors towards the end of the forecast period.

Chart II.32



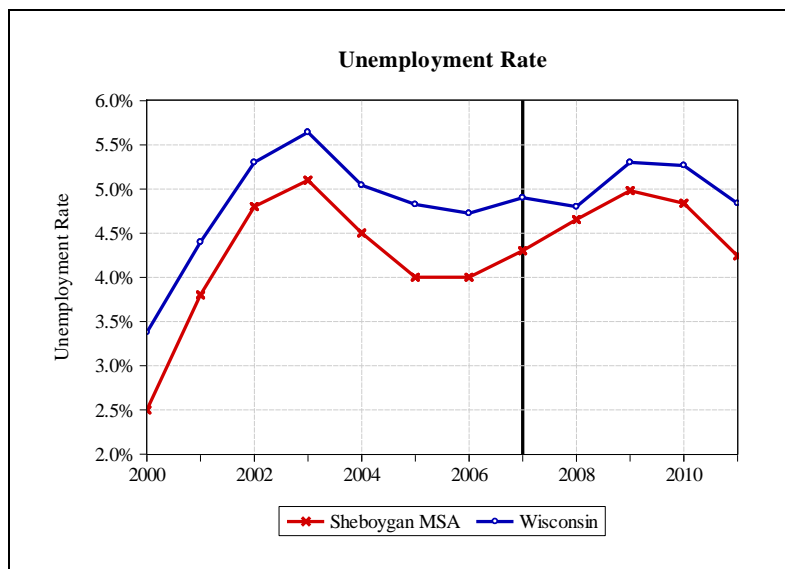
The Sheboygan MSA has an unemployment rate that is historically below that of Wisconsin (see Chart II.33 on the next page). In 2000, the unemployment rate was at a low of 2.5%. This rose to 5.1% in 2003, before falling to 4.0% in 2005 and 2006. Sheboygan's unemployment rate rose last year, to 4.3% and is expected to rise again in 2008 to 4.7% and 5.0% in 2009. The last two years of the forecast period will see the rate fall to 4.8% in 2010 and 4.2% in 2011.

Total personal income grew 5.6% in 2007. Growth is expected to slow for the next two years, with a 3.0% increase in 2008 and a 2.4% increase in 2009. This compares to the statewide forecast of 3.4% growth in 2008 and 2.6% in 2009. After that, personal income growth accelerates to 4.3% growth in 2010 and 5.0% in 2011.

Per capita personal income in the Sheboygan MSA is greater than that of the state, at \$37,209 in 2007, versus \$36,162 statewide. In the Sheboygan MSA, the per capita personal income increased 5.1% in 2007 and has risen 21.2% since 2002. Growth in per capita personal income is expected to slow in 2008, as total personal income

slows to 2.5% and then to 2.0% in 2009. Faster growth then resumes, as per capita personal income increases 3.8% in 2010 and 4.5% in 2011, ending the forecast period at \$42,211.

Chart II.33



SHEBOYGAN METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	61.9	63.7	64.3	64.5	64.1	63.8	64.4	65.4
<i>% change</i>	1.0%	2.9%	0.9%	0.3%	-0.6%	-0.5%	0.9%	1.7%
Unemployment Rate	4.5	4.0	4.0	4.3	4.7	5.0	4.8	4.2
Total Personal Income (\$ billions)	3.7	3.8	4.0	4.3	4.4	4.5	4.7	4.9
<i>% change</i>	4.7%	3.5%	4.8%	5.6%	3.0%	2.4%	4.3%	5.0%
Per Capita Personal Income	32,829	33,861	35,419	37,209	38,138	38,895	40,378	42,211
<i>% change</i>	4.4%	3.1%	4.6%	5.1%	2.5%	2.0%	3.8%	4.5%

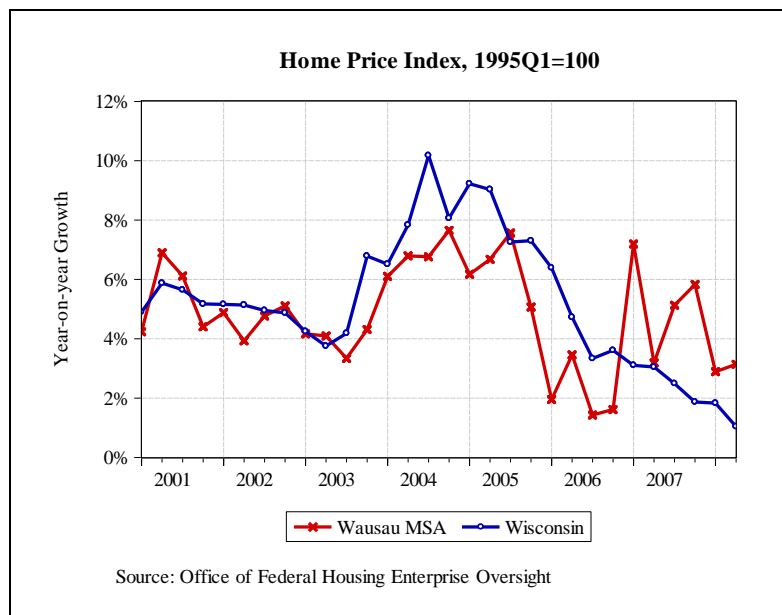
Wausau

Located in the middle of the state, the Wausau MSA is made up of Marathon County. It is Wisconsin's third-smallest MSA. Its population grew 0.7% to 130,000 in 2007. Besides the city of Wausau, the metro area also includes Weston, Kronenwetter, Rib Mountain, and Mosinee. Marathon County is home to a two-year UW Campus and two branches of the North-Central Technical College.

Housing in Wausau

In the OFHEO's recently released home price index, the data from the second quarter of 2008 showed that home prices in the Wausau MSA increased 25.4% over the past five years. This is slightly smaller growth than what was seen statewide, at 28.2% growth. In the past year, home prices have increased 3.1%, but compared to last quarter, home prices are flat. This is stronger growth over the past 12-18 months than what is seen in most other MSAs. The Department of Revenue's equalized values report showed that total residential values increased 4.8% over the previous year as of January 1, 2008. Of this, economic changes accounted for 1.4 percentage points of the increase in values.

Chart II.34



Using data released from the Wisconsin Realtors' Association on MLS sales, the median home price in the Wausau MSA decreased 7.2% in the second quarter of 2008, to \$124,600, when compared with the previous year. The number of home sales also decreased, to 368 in the second quarter of this year from 447 during the same period last year.

Employment

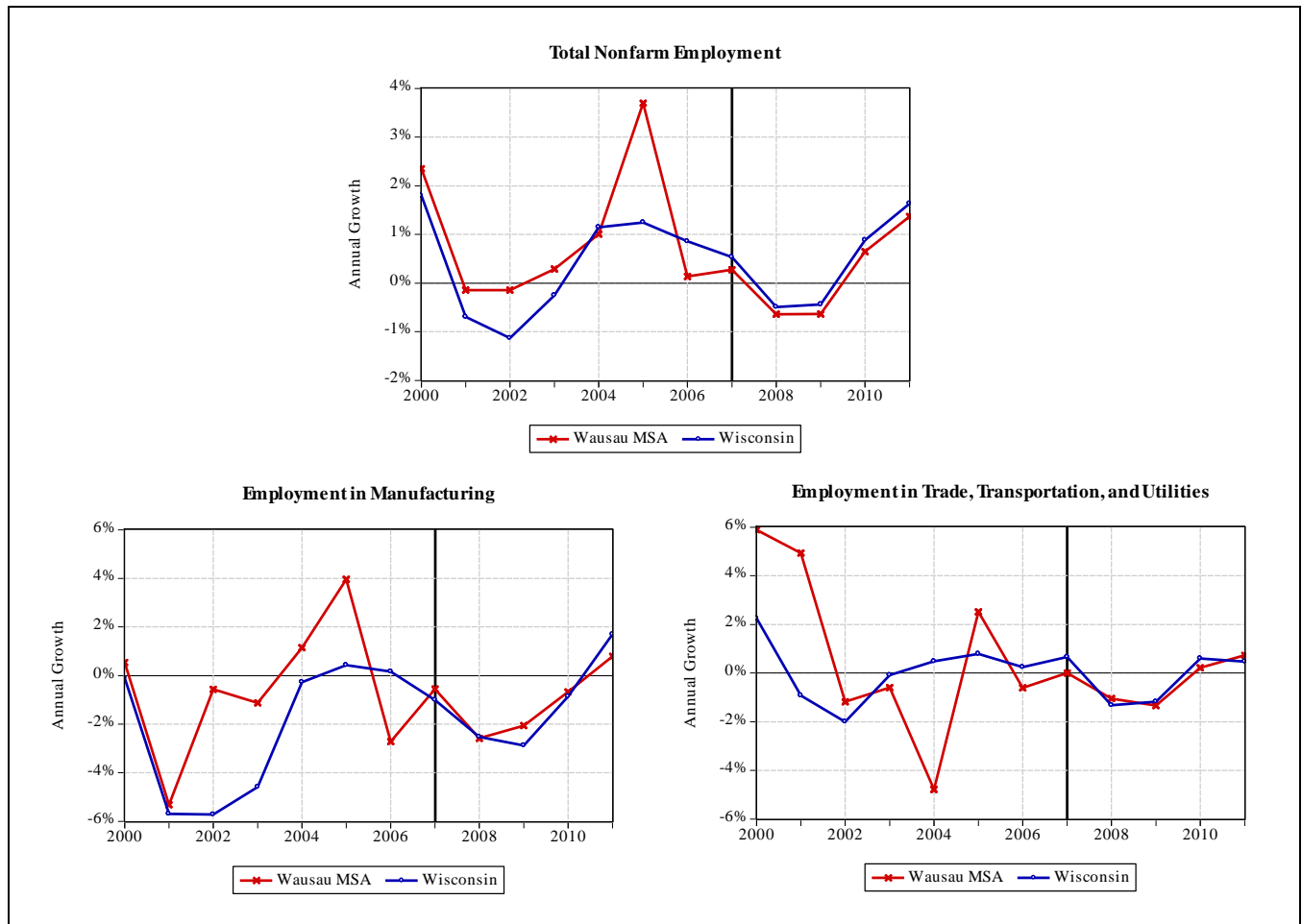
Manufacturing is the largest industry in the Wausau MSA, totaling 24.3% of total nonfarm employment in 2007. Trade, Transportation and Utilities is the second largest employment sector at 22.1% of employment, followed by Education and Health Services (11.5%) and Government, including state and local education (10.7%). Large employers in the area include Aspirus Wausau Hospital, Greenheck Fan Corp, Kolbe & Kolbe Millwork, Liberty Mutual Insurance Co, and FootLocker/Eastbay.

Total nonfarm employment increased by 0.3% in 2007 in the Wausau MSA. Growth was lead by Leisure and Hospitality with an employment increase of 3.8%, followed by increases in Construction and Mining (3.1%) and Professional and Business Services (2.3%). Manufacturing employment declined 0.6%.

The Forecast

Total nonfarm employment in the Wausau MSA is expected to decrease 0.6% in 2008. The following year, 2009, will also see an employment decrease of 0.6%, before positive growth returns in 2010. Manufacturing, the largest employment sector in the area, is expected see declines of 2.6% and 2.1% in 2008 and 2009 respectively. Manufacturing employment declines will slow in 2010 as employment drops 0.7% before increasing by 0.8% in 2011. Employment is also expected to decline in Trade, Transportation, and Utilities, falling 1.1% in 2008 and 1.3% in 2009 before returning to positive growth in 2010.

Chart II.35

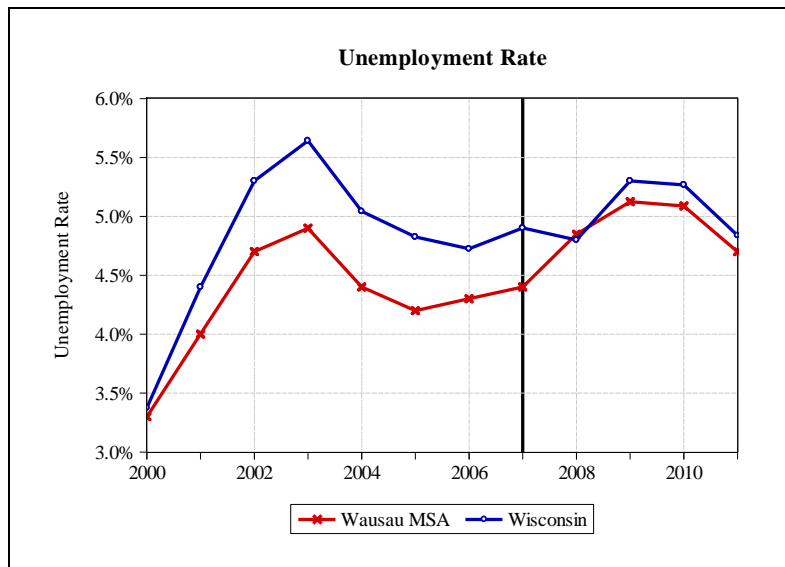


The unemployment rate in the Wausau MSA has historically been lower than that of the state (see Chart II.36). It rose from a low of 3.3% in 2000 to 4.9% in 2003. The rate then declined to 4.2% in 2005, but rose to 4.4% in 2007. In the forecast, the rate is expected to rise again in 2008 to 4.8% and then in 2009 to 5.1%. It declines in 2010 to 5.0% and then finishes the forecast period at 4.6% in 2011.

Total personal income increased 5.1% in 2006 and 5.7% in 2007 in the Wausau MSA. However, growth in personal income is expected to slow over the next two years, with increases averaging 3.0%. Stronger growth in personal income returns in 2010, with growth of 4.6% that year and 5.3% the following year.

Per capita personal income rose 5.0% in 2007 to \$35,121 in the Wausau MSA. It has risen 20.8% in the last five years and is slightly below the state per capita personal income of \$36,162. In 2008, growth in per capita personal income is expected to slow in the Wausau MSA to 2.6% followed by growth of 2.0% in 2009. Growth begins to accelerate in 2010, increasing 3.9%, and ends the forecast period in 2011 at \$39,950, an increase of 4.6%.

Chart II.36



WAUSAU METROPOLITAN AREA FORECAST

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Nonfarm Employment (thousands)	70.3	72.9	73.0	73.2	72.7	72.3	72.7	73.7
<i>% change</i>	1.0%	3.7%	0.1%	0.3%	-0.6%	-0.6%	0.6%	1.4%
Unemployment Rate	4.4	4.2	4.3	4.4	4.8	5.1	5.0	4.6
Total Personal Income (\$ billions)	3.9	4.1	4.3	4.6	4.7	4.8	5.1	5.3
<i>% change</i>	2.7%	5.2%	5.1%	5.7%	3.3%	2.7%	4.6%	5.3%
Per Capita Personal Income	30,768	32,148	33,444	35,121	36,037	36,765	38,190	39,950
<i>% change</i>	2.4%	4.5%	4.0%	5.0%	2.6%	2.0%	3.9%	4.6%

Balance of State

The counties not contained in a metropolitan statistical area are considered the balance of state. In general, these are the 'non-metro' counties, as they are not linked with any large urban areas. Four counties are exceptions, however: Douglas County, in northwestern Wisconsin; Pierce and St. Croix counties, which border Minnesota; and Kenosha County, in the southeastern corner of the state. These counties are each part of an MSA, but the MSA is not based in Wisconsin. Douglas County is part of the Duluth, MN MSA; Pierce and St. Croix Counties are part of the Minneapolis-St. Paul-Bloomington, MN MSA; and Kenosha County is part of the Chicago-Naperville-Joliet MSA, which includes counties in Illinois, Indiana, and Wisconsin (see Chart 1.18).

The balance of state area is comprised of 51 counties, versus the 21 counties of the metro areas. One-third of the state's population, or 1.8 million people, live in non-metro counties. This is greater than the number of people living in the Milwaukee MSA (1.5 million), and greater than those living in the ten smaller MSAs combined. As a percent of total nonfarm employment, the non-metro counties account for 27.7% of all workers in the state. The disparity between the percent living in the non-metro counties (33%) and the percent working in those counties is explained by workers commuting from less populated areas to the larger cities, where the number of jobs is greater.

After increasing 0.5% in 2007, total nonfarm employment growth is expected to decline 1.1% in 2008 to 790,600 jobs. A decline of 1.1% is also expected in 2009, before growth returns in 2010 and 2011. Personal income growth, following an increase of 5.8% in 2007, is expected to slow in 2008 to 3.4% and in 2009 to 2.7%. Growth accelerates the last two years of the forecast period, with an increase of 4.5% in 2010 and 5.2% in 2011.

TABLE III.1
TOTAL NONFARM EMPLOYMENT
(Thousands)

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Appleton	115.6	117.8	118.3	119.2	118.7	118.4	119.8	122.0
<i>Percent Change</i>	0.9%	1.9%	0.4%	0.8%	-0.5%	-0.2%	1.2%	1.9%
Eau Claire	78.0	80.0	82.3	83.5	83.9	84.4	86.0	88.4
<i>Percent Change</i>	1.2%	2.6%	2.9%	1.5%	0.5%	0.6%	1.9%	2.7%
Fond du Lac	48.0	48.3	48.4	48.4	48.4	48.4	48.9	49.8
<i>Percent Change</i>	1.3%	0.6%	0.2%	0.0%	0.0%	-0.1%	1.1%	1.8%
Green Bay	167.2	168.3	169.1	170.0	170.3	170.7	173.3	177.3
<i>Percent Change</i>	2.5%	0.7%	0.5%	0.5%	0.2%	0.2%	1.5%	2.3%
Janesville	68.4	69.3	70.5	70.2	69.3	68.4	68.3	69.8
<i>Percent Change</i>	1.8%	1.3%	1.7%	-0.4%	-1.3%	-1.2%	-0.2%	2.1%
La Crosse	72.4	72.5	74.9	75.0	74.2	73.8	74.4	75.6
<i>Percent Change</i>	1.3%	0.1%	3.3%	0.1%	-1.0%	-0.6%	0.8%	1.6%
Madison	336.4	345.0	346.2	347.6	349.0	350.2	355.9	364.2
<i>Percent Change</i>	2.4%	2.6%	0.3%	0.4%	0.4%	0.4%	1.6%	2.3%
Milwaukee-Waukesha-West Allis	832.1	840.7	850.6	857.1	854.0	851.4	860.1	875.4
<i>Percent Change</i>	0.2%	1.0%	1.2%	0.8%	-0.4%	-0.3%	1.0%	1.8%
Oshkosh-Neenah	90.5	91.9	92.6	93.4	93.1	92.8	93.6	95.2
<i>Percent Change</i>	0.4%	1.5%	0.8%	0.9%	-0.3%	-0.3%	0.9%	1.7%
Racine	80.1	80.1	80.6	80.3	79.4	78.4	78.5	79.0
<i>Percent Change</i>	1.8%	0.0%	0.6%	-0.4%	-1.1%	-1.2%	0.0%	0.7%
Sheboygan	61.9	63.7	64.3	64.5	64.1	63.8	64.4	65.4
<i>Percent Change</i>	1.0%	2.9%	0.9%	0.3%	-0.6%	-0.5%	0.9%	1.7%
Wausau	70.3	72.9	73.0	73.2	72.7	72.3	72.7	73.7
<i>Percent Change</i>	1.0%	3.7%	0.1%	0.3%	-0.6%	-0.6%	0.6%	1.4%
Non-Metro State	786.1	791.5	795.6	799.3	790.3	781.8	784.0	791.4
<i>Percent Change</i>	1.4%	0.7%	0.5%	0.5%	-1.1%	-1.1%	0.3%	0.9%
Wisconsin	2,807.0	2,842.0	2,866.4	2,881.7	2,867.4	2,854.8	2,880.1	2,927.2
<i>Percent Change</i>	1.1%	1.2%	0.9%	0.5%	-0.5%	-0.4%	0.9%	1.6%

TABLE III.2
UNEMPLOYMENT RATE
(Percent of the Labor Force)

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Appleton	4.7	4.5	4.5	4.7	4.8	5.1	5.0	4.5
Eau Claire	4.9	4.6	4.4	4.7	4.8	5.1	5.1	4.8
Fond du Lac	4.7	4.7	4.7	4.8	5.0	5.4	5.4	5.0
Green Bay	4.9	4.7	4.7	4.8	4.9	5.3	5.3	4.9
Janesville	5.6	5.9	5.1	5.6	6.1	6.6	6.5	5.5
La Crosse	4.3	4.2	3.9	4.1	4.4	4.6	4.6	4.4
Madison	3.4	3.4	3.4	3.7	3.8	3.9	3.9	3.5
Milwaukee-Waukesha-West Allis	5.4	5.0	4.9	5.1	5.2	5.5	5.5	5.2
Oshkosh-Neenah	4.7	4.5	4.5	4.6	4.7	5.1	5.1	4.9
Racine	6.0	6.0	5.7	6.0	6.2	6.5	6.2	5.5
Sheboygan	4.5	4.0	4.0	4.3	4.7	5.0	4.8	4.2
Wausau	4.4	4.2	4.3	4.4	4.8	5.1	5.0	4.6
Wisconsin	5.0	4.8	4.7	4.9	4.8	5.3	5.3	4.8

TABLE III.3
TOTAL PERSONAL INCOME
(\$ Billions)

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Appleton	6.8	7.2	7.5	8.0	8.3	8.6	9.0	9.5
<i>Percent Change</i>	4.2%	4.8%	5.0%	6.0%	4.3%	3.1%	4.9%	5.7%
Eau Claire	4.2	4.4	4.7	4.9	5.1	5.2	5.5	5.8
<i>Percent Change</i>	2.6%	5.5%	5.6%	5.5%	3.9%	2.8%	4.6%	5.3%
Fond du Lac	3.0	3.1	3.3	3.4	3.6	3.6	3.8	4.0
<i>Percent Change</i>	2.8%	2.9%	4.1%	6.1%	3.0%	2.4%	4.3%	5.0%
Green Bay	9.3	9.6	10.0	10.6	11.1	11.4	12.0	12.7
<i>Percent Change</i>	4.2%	3.3%	4.2%	5.5%	4.4%	3.1%	5.0%	5.7%
Janesville	4.3	4.5	4.8	4.9	5.2	5.3	5.5	5.8
<i>Percent Change</i>	-1.1%	2.9%	7.8%	3.0%	4.1%	2.5%	4.3%	5.1%
La Crosse	3.7	3.9	4.1	4.3	4.5	4.6	4.9	5.1
<i>Percent Change</i>	2.8%	4.1%	5.7%	5.5%	4.2%	2.8%	4.6%	5.3%
Madison	19.6	20.7	22.0	23.2	23.9	24.7	26.0	27.5
<i>Percent Change</i>	5.0%	5.4%	6.1%	5.4%	3.4%	3.2%	5.1%	5.8%
Milwaukee-Waukesha-West Allis	54.9	57.4	60.9	63.9	65.8	67.3	70.0	73.3
<i>Percent Change</i>	3.8%	4.4%	6.2%	4.9%	3.1%	2.2%	4.0%	4.7%
Oshkosh-Neenah	5.0	5.2	5.5	5.8	6.0	6.2	6.5	6.8
<i>Percent Change</i>	1.6%	4.2%	4.7%	6.5%	3.8%	2.7%	4.5%	5.2%
Racine	6.3	6.5	6.9	7.2	7.5	7.6	7.9	8.3
<i>Percent Change</i>	4.5%	2.5%	5.8%	5.0%	3.7%	2.3%	4.1%	4.8%
Sheboygan	3.7	3.8	4.0	4.3	4.4	4.5	4.7	4.9
<i>Percent Change</i>	4.7%	3.5%	4.8%	5.6%	3.0%	2.4%	4.3%	5.0%
Wausau	3.9	4.1	4.3	4.6	4.7	4.8	5.1	5.3
<i>Percent Change</i>	2.7%	5.2%	5.1%	5.7%	3.3%	2.7%	4.6%	5.3%
Non-Metro State	49.7	51.5	53.8	56.9	58.8	60.4	63.2	66.5
<i>Percent Change</i>	4.3%	3.6%	4.5%	5.8%	3.4%	2.7%	4.5%	5.2%
Wisconsin	174.7	181.9	191.7	202.0	208.9	214.4	223.9	235.5
<i>Percent Change</i>	3.9%	4.1%	5.4%	5.3%	3.4%	2.6%	4.4%	5.2%

The Wisconsin personal income data is based on the August 2008 Wisconsin Economic Outlook. Since its publication, the Bureau of Economic Analysis has revised the personal income data for 2005, 2006, and 2007. These revisions will be reflected in the December 2008 forecast.

TABLE III.4
PER CAPITA PERSONAL INCOME
(\$ per person)

	History				Forecast			
	2004	2005	2006	2007	2008	2009	2010	2011
Appleton	32,214	33,455	34,786	36,563	37,683	38,443	39,931	41,768
<i>Percent Change</i>	3.2%	3.9%	4.0%	5.1%	3.1%	2.0%	3.9%	4.6%
Eau Claire	27,254	28,519	29,837	31,134	32,037	32,686	33,954	35,520
<i>Percent Change</i>	1.3%	4.6%	4.6%	4.3%	2.9%	2.0%	3.9%	4.6%
Fond du Lac	30,919	31,745	32,923	34,793	35,679	36,400	37,812	39,556
<i>Percent Change</i>	2.5%	2.7%	3.7%	5.7%	2.5%	2.0%	3.9%	4.6%
Green Bay	31,674	32,503	33,627	35,151	36,311	37,061	38,522	40,326
<i>Percent Change</i>	3.1%	2.6%	3.5%	4.5%	3.3%	2.1%	3.9%	4.7%
Janesville	27,855	28,467	30,356	30,990	32,139	32,794	34,075	35,658
<i>Percent Change</i>	-2.0%	2.2%	6.6%	2.1%	3.7%	2.0%	3.9%	4.6%
La Crosse	28,975	30,050	31,594	33,091	34,207	34,885	36,216	37,861
<i>Percent Change</i>	2.6%	3.7%	5.1%	4.7%	3.4%	2.0%	3.8%	4.5%
Madison	36,760	38,281	40,088	41,679	42,615	43,478	45,164	47,246
<i>Percent Change</i>	3.6%	4.1%	4.7%	4.0%	2.2%	2.0%	3.9%	4.6%
Milwaukee-Waukesha-West Allis	35,850	37,361	39,536	41,358	42,519	43,363	45,016	47,060
<i>Percent Change</i>	3.4%	4.2%	5.8%	4.6%	2.8%	2.0%	3.8%	4.5%
Oshkosh-Neenah	31,466	32,572	33,874	35,825	36,906	37,640	39,077	40,855
<i>Percent Change</i>	1.3%	3.5%	4.0%	5.8%	3.0%	2.0%	3.8%	4.5%
Racine	32,844	33,404	35,209	36,869	38,122	38,870	40,338	42,152
<i>Percent Change</i>	3.9%	1.7%	5.4%	4.7%	3.4%	2.0%	3.8%	4.5%
Sheboygan	32,829	33,861	35,419	37,209	38,138	38,895	40,378	42,211
<i>Percent Change</i>	4.4%	3.1%	4.6%	5.1%	2.5%	2.0%	3.8%	4.5%
Wausau	30,768	32,148	33,444	35,121	36,037	36,765	38,190	39,950
<i>Percent Change</i>	2.4%	4.5%	4.0%	5.0%	2.6%	2.0%	3.9%	4.6%
Non-Metro State	27,701	28,563	29,766	31,332	32,152	32,837	34,096	35,651
<i>Percent Change</i>	3.9%	3.1%	4.2%	5.3%	2.6%	2.1%	3.8%	4.6%
Wisconsin	31,786	32,926	34,527	36,162	37,166	37,898	39,351	41,145
<i>Percent Change</i>	3.3%	3.6%	4.9%	4.7%	2.8%	2.0%	3.8%	4.6%