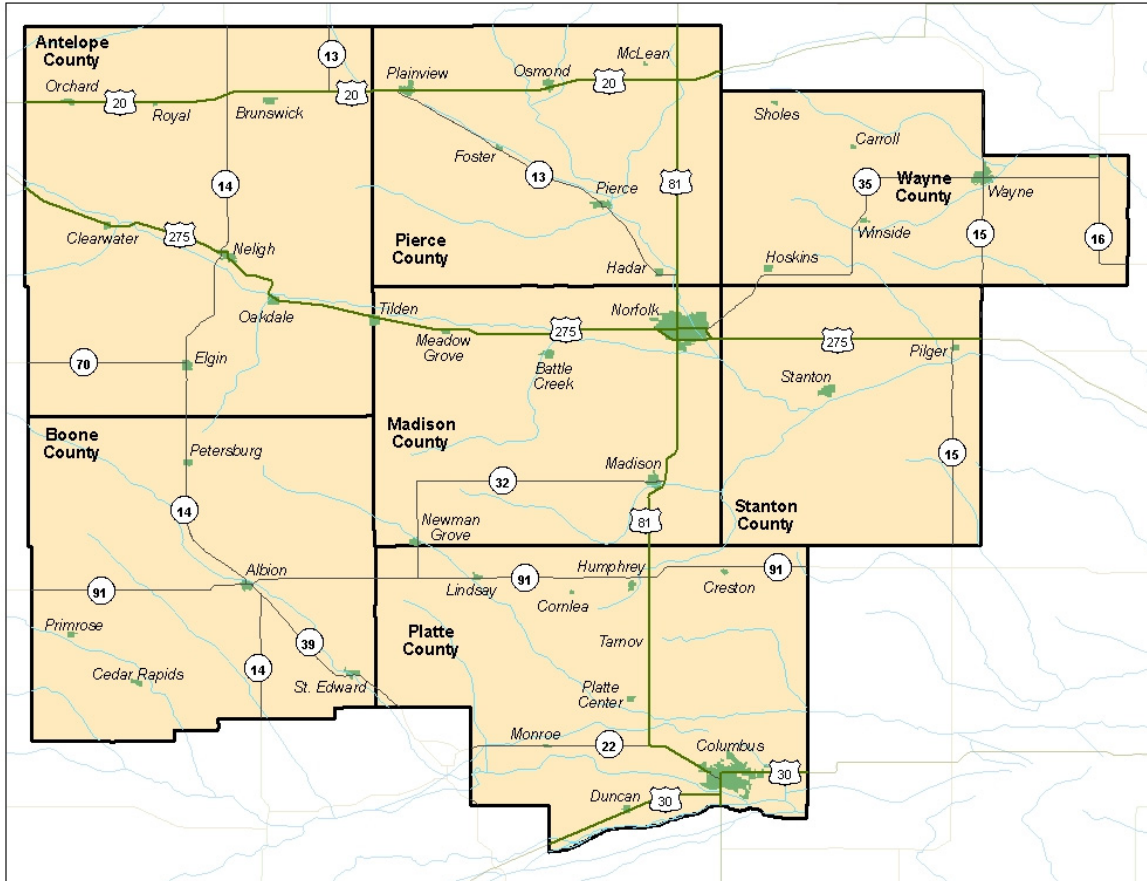


Elkhorn Valley Labor Basin Labor Availability Analysis - 2007

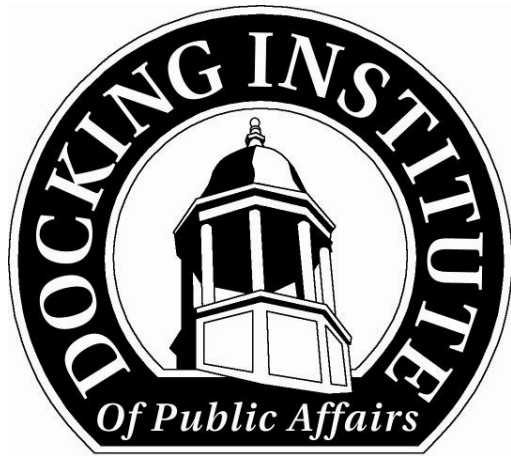
Antelope • Boone • Madison • Pierce
Platte • Stanton • Wayne



Prepared For
Elkhorn Valley Economic Development Council

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The staff of the Docking Institute of Public Affairs and its University Center for Survey Research are dedicated to serving the people of Kansas and surrounding states.

Elkhorn Valley Labor Basin Labor Availability Analysis - 2007

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Elkhorn Valley Labor Basin Labor Availability Analysis

Executive Summary

The Elkhorn Valley Labor Basin includes Antelope, Boone, Madison, Pierce, Platte, Stanton, and Wayne Counties in Nebraska. The purpose of this report is to assess the “Available Labor Pool” in this labor basin. The “Available Labor Pool” represents those who indicate that they are looking for employment or would consider changing their jobs for the right employment opportunity.

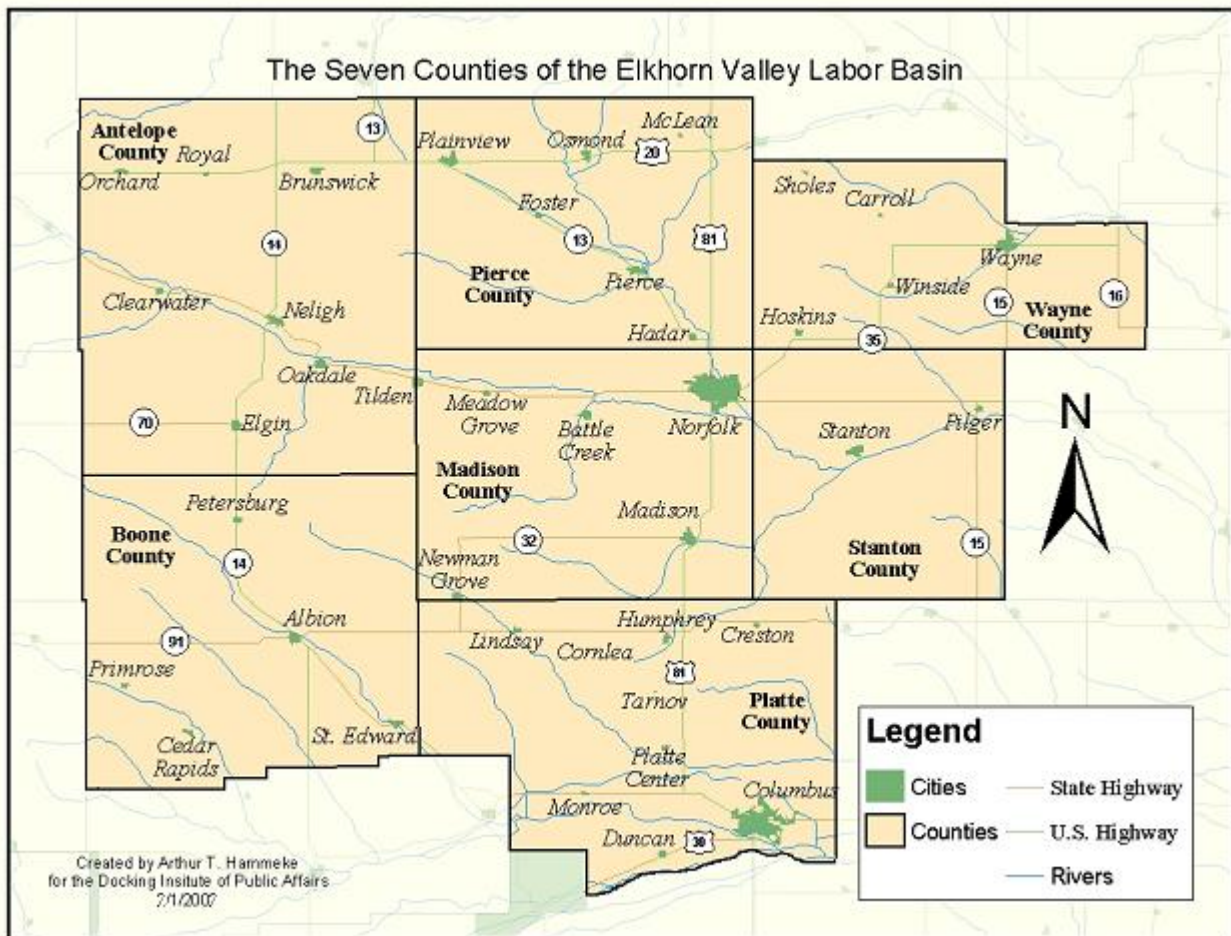
The Docking Institute’s independent analysis of this labor basin shows that:

- The population of the Elkhorn Valley Labor Basin is estimated to be 103,170. A fifth (20%) of the population (or 21,080 individuals) is considered to be part of the Available Labor Pool (ALP).
- Among the ALP, an estimated 1,278 (6.1%) non-working and 3,913 (18.6%) working individuals are *looking* for new employment, while 958 (4.5%) non-working and 14,931 (70.8%) working individuals would *consider* new and/or different employment for the right opportunities.
- Nearly 71% of the ALP has at least some college experience and almost all (97.4%) has at least a high school diploma. The average age for members of the entire ALP is 44 years old, and women make up almost 48% of the ALP. Almost 20% indicate that they speak at least “a little” Spanish.
- Majorities of ALP members report needing “no additional training” for a job requiring working in groups or interpersonal skills (80%), math (59%), and writing (53%).
- About 88% of the working ALP respondents “strongly agree” or “mildly agree” with a statement suggesting that they have a “generally positive work environment,” and about 96% of the Non-ALP suggest the same.
- 83% (or 17,544 individuals) of the ALP indicate that they are “willing to work outside of their primary field of employment for a new or different employment opportunity.”
- Slightly more than 17% (or 3,668) of the members of the ALP will commute up to 45 minutes, one way, for an employment opportunity. Sixty-five percent (or 13,703 individuals) will commute up to 30 minutes.
- The most important desired benefits are in order good salary or hourly wage, good retirement benefits, good health benefits, on-the-job training (OJT) or paid training, and good vacation benefits – all receiving more than 75% support among respondents.
- Among the ALP **that are willing to commute the necessary time to the labor basin center**, Almost 7,000 people (33.2% of the entire ALP) are interested in a new job at \$16 an hour, 4,465 (21.2%) are available at \$12 an hour, and 1,053 (5%) are available at \$8 an hour.
- Among the 18,844 *employed members* of the ALP, 6,341 (34%) consider themselves underutilized. About three-quarters (73.5%) of this subset of the ALP has some college experience, and a substantial majority (90%) is willing to change jobs to improve its underutilized status.
- Of the 18,085 members in the subset of the ALP that **do not** own their own businesses, 5,317 (29%) have considered starting their own businesses.

The Elkhorn Valley Labor Basin

The Elkhorn Valley Labor Basin includes seven counties in north central Nebraska (see Map 1 below). The criterion used to include a county in this labor basin is whether it contains communities from which, it can be reasonably assumed, individuals may commute to the center of the labor basin (Norfolk in Madison County) for an employment opportunity. In the case of the Elkhorn Valley Labor Basin, *it can be reasonably assumed* that individuals may commute from one of the six neighboring counties (and within Madison County) because these counties contain: 1) communities that are sufficiently isolated but with adequate transportation access leading to Norfolk, and 2) communities that are within an hour's commute time to the center of the labor basin.

Map 1: Elkhorn Valley Labor Basin



The Elkhorn Valley Labor Basin has a total population of approximately 103,170, and a Civilian Labor Force (CLF) of 57,464. There is an unemployment rate of 2.51%, but this research effort suggests that there is a large supply of available labor for a new employer and/or expanded employment. The Docking Institute's unique ALP analysis of this labor basin shows that there are 5,190 workers and non-workers (9% of the CLF) who are actively *looking* for new or different employment, and 15,890 (27.7% of the CLF) who would consider new or different employment for the *right opportunity*.

The Civilian Labor Force

Traditional methods of assessing the dynamics of the labor force have concentrated on what the Bureau of Labor Statistics (BLS) calls the Civilian Labor Force (CLF). The CLF represents “the civilian non-institutional population, 16 years of age and over classified as employed or unemployed.” The BLS defines “non-institutional civilians” as those individuals who are not inmates in institutions and who are not on active duty in the Armed Forces; and “unemployed civilians” as civilians available for work and who had “made specific efforts to find employment” in the previous four weeks. As mentioned previously, the CLF for the Elkhorn Valley Labor Basin is 57,464 workers.

While a review of CLF statistics represents the starting point for understanding the labor force in the Elkhorn Valley region, there are some limitations associated with these statistics. These limitations occur because the CLF *excludes* individuals who may be willing and able to be gainfully employed but have not made specific efforts to find employment in the last four weeks. These individuals may include full-time students who do not work, homemakers, the unemployed who are no longer seeking employment, military personnel who may be leaving military employment in the near future and retired individuals who may be willing to work but have not been looking for work recently.

In addition, most new employers draw their workforce from those who are presently employed, not those who are unemployed. As such, Census-based and BLS data (such as the CLF) do not address the possibility of workers moving from one industry to another in search of other employment opportunities.

The Available Labor Pool

An alternative to the CLF is the “Available Labor Pool¹.” The Available Labor Pool is composed of workers categorized as either 1) currently employed (full-time or part-time) *and* seeking other employment, 2) currently retired and/or non-working in any manner *and* seeking employment, or 3) currently employed and not seeking a new job, *but* willing to consider different employment for the *right opportunity*.

There are two key differences between the Civilian Labor Force and the Available Labor Pool. First, the Available Labor Pool methodology expands the pool of potential workers by including workers excluded from the CLF². Secondly, the number of potential workers is then *restricted* to those workers who indicate they are looking for work or are available for new employment. The advantage of this methodology is that it allows researchers to examine those members of the labor pool who have a propensity to consider a job opportunity given their employment expectations. Even with these restrictions, it should be noted that, in practice, not all members of the Available Labor Pool would apply for a new job opportunity. However, the

¹ The Available Labor Pool includes potential workers excluded from the CLF (such as full-time students willing to take a job, homemakers who have not yet sought employment, military personnel who may be leaving military employment in the near future, and retired individuals who may be willing and able to be gainfully employed).

² The number that is added to the Civilian Labor Force is derived by taking from the survey the total number of full-time students, homemakers, military, retirees, and long-term unemployed, who state that they are seeking or available for employment and are within a reasonable commute distance to the center of the labor basin, and dividing this number by the total number of respondents. This quotient is then multiplied by the total number of people in the labor basin who are 18 to 65 years old.

Available Labor Pool figure for a labor basin reveals to current employers and potential employers better information about the quantity and quality of the labor pool than do Civilian Labor Force data and unemployment statistics. The Available Labor Pool for the Elkhorn Valley Labor Basin includes 21,080 individuals. This represents a substantial number of workers and potential workers for employers to draw upon in the Elkhorn Valley Labor Basin.

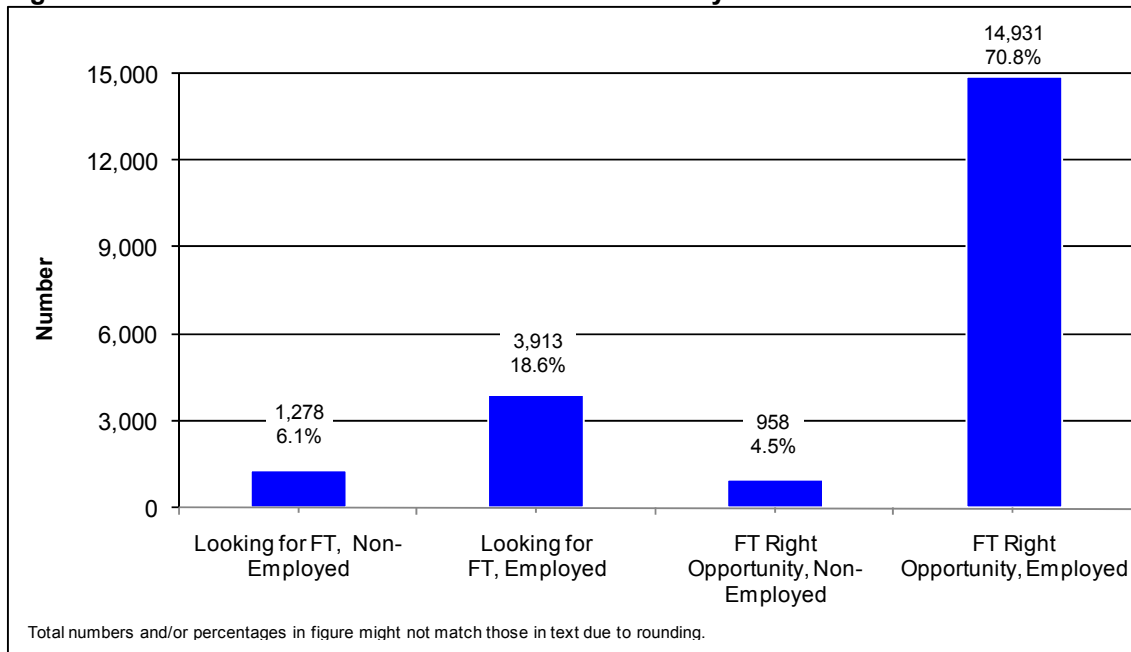
The Elkhorn Valley Labor Basin’s Available Labor Pool

This section of the report assesses the characteristics of the ALP in the Elkhorn Valley Labor Basin by answering the following questions:

- What proportion of the labor force – employed, unemployed, homemaker, student, retired, and disabled – would seriously consider applying for a new employment opportunity?
- What types of jobs have workers and potential workers had in the past?
- What kinds of training do they feel they need to get a new or different job?
- What is the level of job satisfaction among the workers that are available for new employment?
- What types of considerations (pay, benefits, commute time) shape their decision-making?
- What are some of the characteristics of the general laborers, skilled blue-collar workers, service and support workers, and professional white-collar workers?
- What proportion of the available labor pool is considered “underutilized”?
- What are some of the characteristics of those underutilized workers?

It is estimated that 1,278 (6.1% of the ALP) non-employed³ and 3,913 (18.6%) employed individuals are *currently looking* for new or different employment, and 958 (4.5%) non-employed individuals and 14,931 (70.8%) employed individuals *would consider* changing employment for the right opportunities.

Figure 1: The Available Labor Pool for the Elkhorn Valley Labor Basin



³ The terms “non-employed” and “non-working” refer to officially unemployed members of the Civilian Labor Force as well as any non-employed/non-working full-time students, homemakers, retirees, and disabled individuals.

Map 2 shows how each zip code in the basin compares to all other zip codes in terms of the percent of total available labor in the Elkhorn Valley Labor Basin. Each zip code is grouped into one of five categories specified in the legend. The zip codes containing the most available labor in the Elkhorn Valley Labor Basin are located in Madison, Pierce, Stanton and Platte Counties, centering around Norfolk and Columbus respectively.

Map 2: Percent of Total Available Labor in Basin by Zip Code

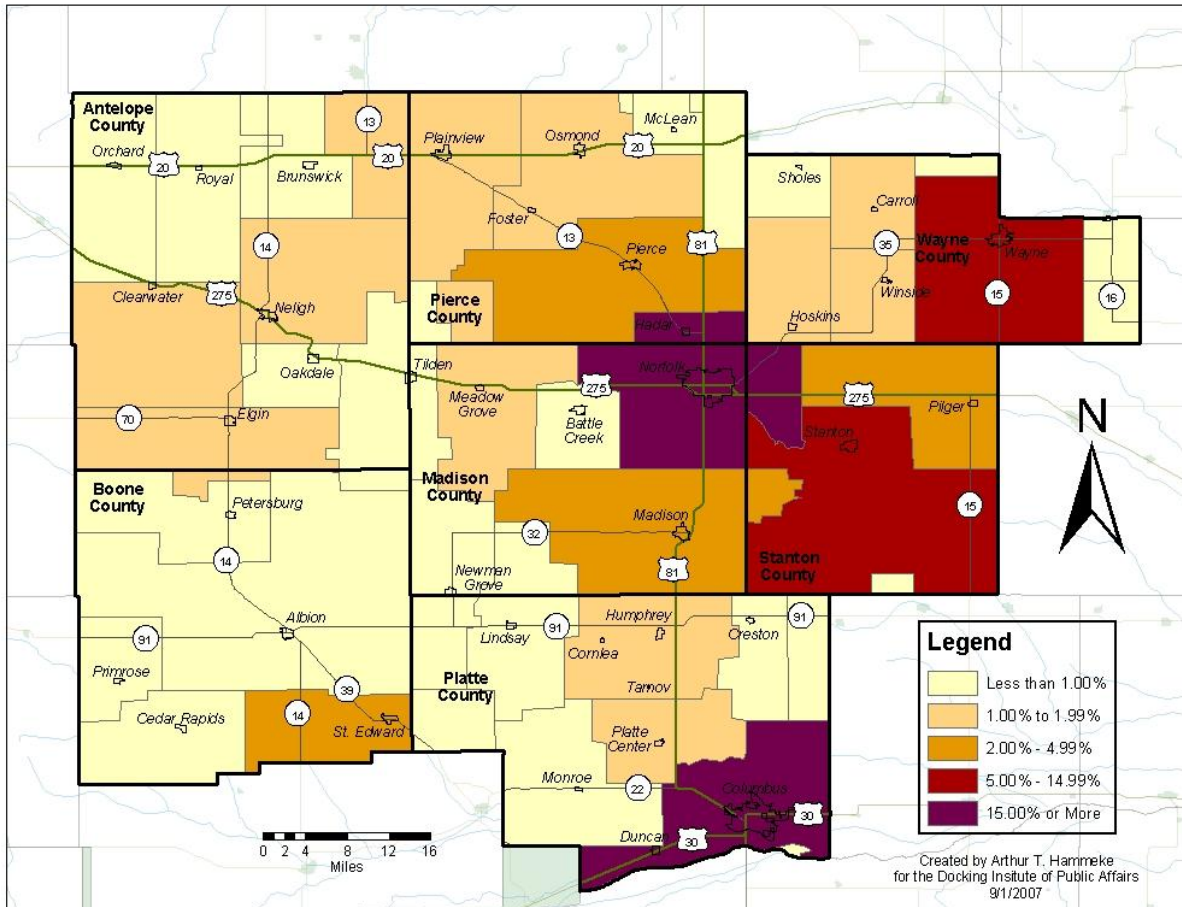


Table 1 shows the gender, age, and education levels of the 21,080-member ALP. Nearly 52% are male, and the average age is 44 years old. Nearly all (97.4%) have at least a high school diploma, slightly more than 70% have at least some college education, and almost a quarter (23.9%) have at least a bachelor's degree.

Table 1: Age, Gender, and Education Levels of Available Labor Pool

Age	Age in 2007		
Range	18 to 76		
Average	44		
Median	46		
Gender	Number	Percent	
Female	10,122	48.0	
Male	10,958	52.0	
Total	21,080	100.0	
Highest Level of Education Achieved	Number	Percent	Cumulative Percent
Doctoral Degree	175	0.8	0.8
Masters Degree	1,310	6.2	7.0
Bachelors Degree	3,559	16.9	23.9
Associates Degree	4,773	22.6	46.6
Some College (including current students)	5,075	24.1	70.6
High School Diploma	5,633	26.7	97.4
Less HS Diploma	554	2.6	100.0
Total	21,080	100.0	
Total numbers or percentages in table might not match those in text due to rounding.			
"Do you speak Spanish?"	Number	Percent	
"Yes"	4,090	19.4	
<i>Speak Very Well</i>	637	15.6	} <i>These percentages represent portions of 19.4%</i>
<i>Speak Fairly Well</i>	360	8.8	
<i>Speak Only a Little</i>	3,093	75.6	
		100.0	
Total numbers or percentages in table might not match those in text due to rounding.			

Table 2 (next page) shows the various occupational categories of the 21,080 members of the ALP. General labor occupations represent 27.7% of the entire ALP, including 2,105 (10%) general laborers/cleaners/delivery drivers. High-skilled blue-collar jobs make up 7.6% of the ALP, with most (1,148, or 5.4%) being technicians/mechanics/welders.

Traditional service-related or "pink-collar" occupations represent 35.5% of the ALP, including 1,886 (8.9%) customer service workers/receptionists/food service workers. Professional white collar workers make up 18.9% of the ALP, including 2,094 (9.9%) educators, counselors, doctors, and attorneys.

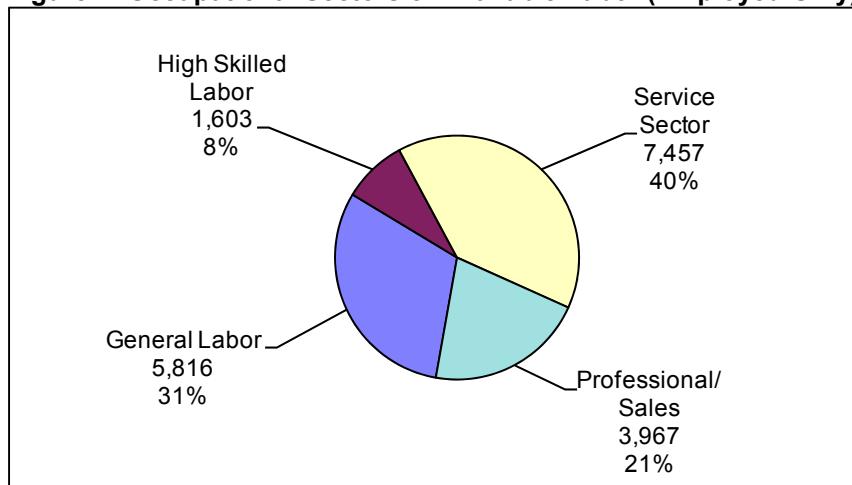
Table 2: Major Occupational Categories of Available Labor

	Number	Percent	Years at Job	
			Mean	Median
General Labor/Cleaning/Farm Labor/Delivery	2,105	10.0	9.7	6.0
Maintenance/Factory Work	2,928	13.9	10.1	9.2
Trucking/HEO/Other BC	802	3.8	9.2	7.0
Total General Labor	5,834	27.7	9.7	7.4
Gov't Service/Protective Service	460	2.2	16.6	12.7
Technician/Mechanic/Welder	1,148	5.4	7.9	7.0
Total Highly-Skilled Labor	1,608	7.6	12.2	9.9
Customer Service/Receptionist/Food Service	1,847	8.8	7.7	6.0
Clerical/Secretarial	1,363	6.5	10.2	8.0
Social Service/Para-Professional/Nursing	2,307	10.9	10.8	10.0
Office Manager/Small Business Owner/Other WC	1,964	9.3	11.7	8.0
Total Service Sector	7,481	35.5	10.1	8.0
Gov't & Business Professional/Sales	1,886	8.9	10.9	10.0
Educator/Counselor/Doctor/Attorney	2,094	9.9	10.9	10.0
Total Professional	3,980	18.9	10.9	10.0
Homemakers/Unemployed	1,808	8.6	n/a	n/a
Students	301	1.4	n/a	n/a
Retired/Disabled	67	0.3	n/a	n/a
Total Non-Employed	2,176	10.3		
Total	21,080	100		

Total numbers or percentages in table might not match those in text due to rounding.

Figure 2 shows the occupational sectors of the *employed members* of the ALP only. The percentages shown in Figure 2 differ from those presented in Table 2 because the table includes non-working ALP members. Appendix I provides a detailed list of occupations.

Figure 2: Occupational Sectors of Available Labor (Employed Only)



Current Skills, Experience, Training Needs, Job Satisfaction

To gain further insight into the types of workers that are available for new and/or different employment in the Elkhorn Valley Labor Basin, survey respondents were asked questions assessing work skills, previous work experience, training needs, and job satisfaction.

Table 3 and Figure 3 (next page) show the current employment status and previous work or training experience of ALP members. Table 3 shows the number of workers currently employed in various job categories, as well as the number of workers that have previous work or training experience in these job categories. The table also shows the sum of working ALP members currently employed in a job category *plus* those that indicate previous training or experience in that particular field.

It is estimated, for example, that 1,303 members of the ALP in the Elkhorn Valley Labor Basin are currently employed as general laborers, construction workers, and cleaners. An additional 2,715 ALP members in the basin indicate previous employment experience or training in one of those jobs, for a total of 4,019⁴ individuals.

Table 3: Current Work Experience plus Previous Work or Training Experience

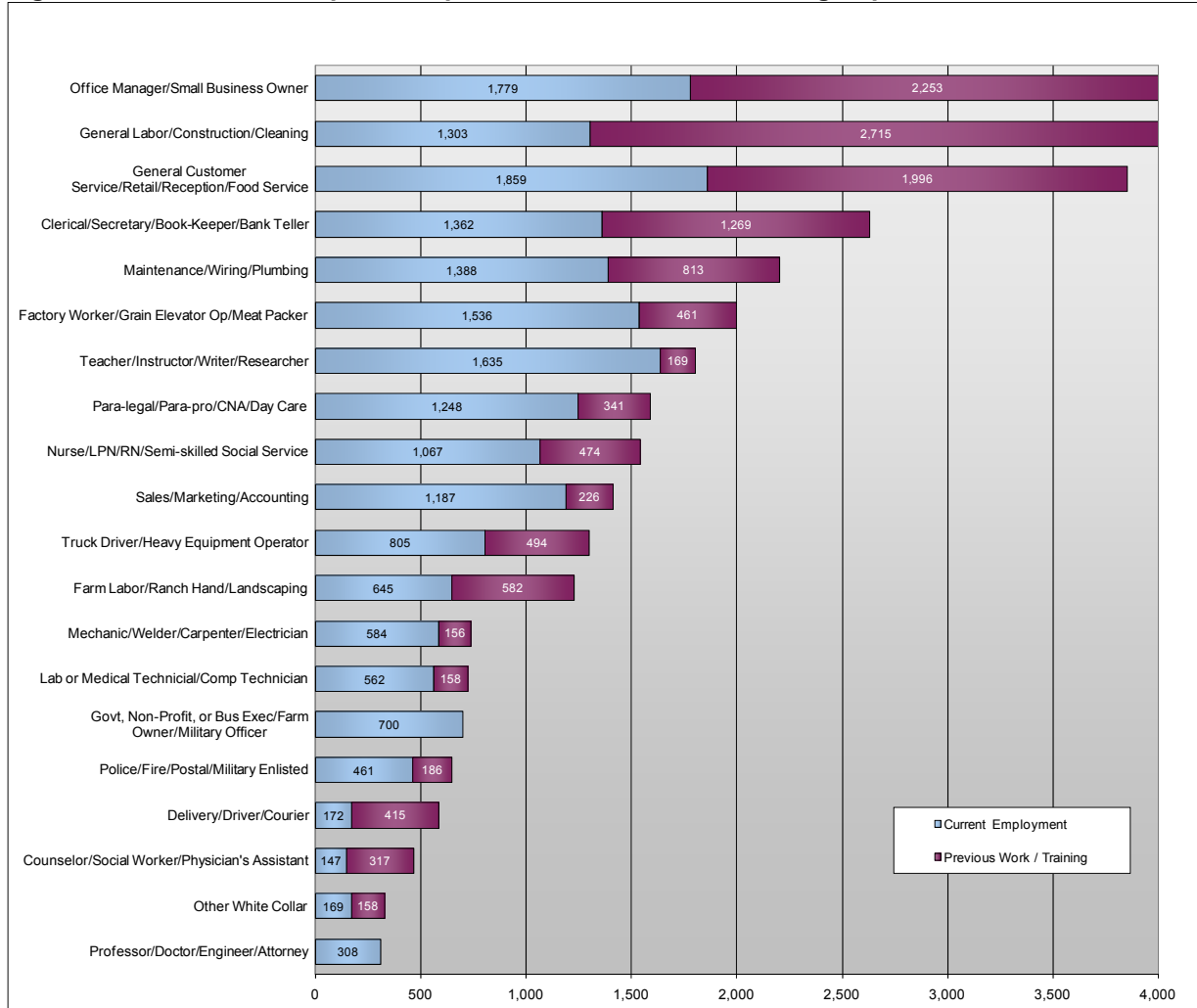
	Current	Previous	Current plus Previous
	Employment*	Work/Training*	Work or Training**
	Number +	Number =	Number
General Labor/Construction/Cleaning	1,303	2,715	4,019
Farm Labor/Ranch Hand/Landscaping	645	582	1,227
Delivery/Driver/Courier	172	415	587
Maintenance/Wiring/Plumbing	1,388	813	2,201
Factory Worker/Grain Elevator Op/Meat Packer	1,536	461	1,997
Truck Driver/Heavy Equipment Operator	805	494	1,299
Police/Fire/Postal/Military Enlisted	461	186	647
Mechanic/Welder/Carpenter/Electrician	584	156	739
Lab or Medical Technical/Comp Technician	562	158	721
Other Blue Collar	0	0	0
General Customer Service/Retail/Reception/Food Service	1,859	1,996	3,854
Clerical/Secretary/Book-Keeper/Bank Teller	1,362	1,269	2,631
Para-legal/Para-pro/CNA/Day Care	1,248	341	1,589
Nurse/LPN/RN/Semi-skilled Social Service	1,067	474	1,541
Office Manager/Small Business Owner	1,779	2,253	4,032
Teacher/Instructor/Writer/Researcher	1,635	169	1,804
Sales/Marketing/Accounting	1,187	226	1,413
Govt, Non-Profit, or Bus Exec/Farm Owner/Military Officer	700	0	700
Counselor/Social Worker/Physician's Assistant	147	317	464
Professor/Doctor/Engineer/Attorney	308	0	308
Other White Collar	169	158	0
Total	18,916	13,184	

* Retired, disabled, non-working students, homemakers are not included.
 ** An individual member of the ALP is counted only once within a training/experience category.
 Total numbers or percentages in table might not match those in text due to rounding.

⁴ Total does not sum to 4,018 due to rounding.

Figure 3 shows the same information as that presented in Table 3, but in graphic format. Again, 1,303 individuals are currently employed as general laborers, construction workers, and cleaners. An additional 2,715 ALP members in the basin indicate previous employment experience or training in one of those jobs, for a total of 4,019 individuals.

Figure 3: Current Work Experience plus Previous Work or Training Experience



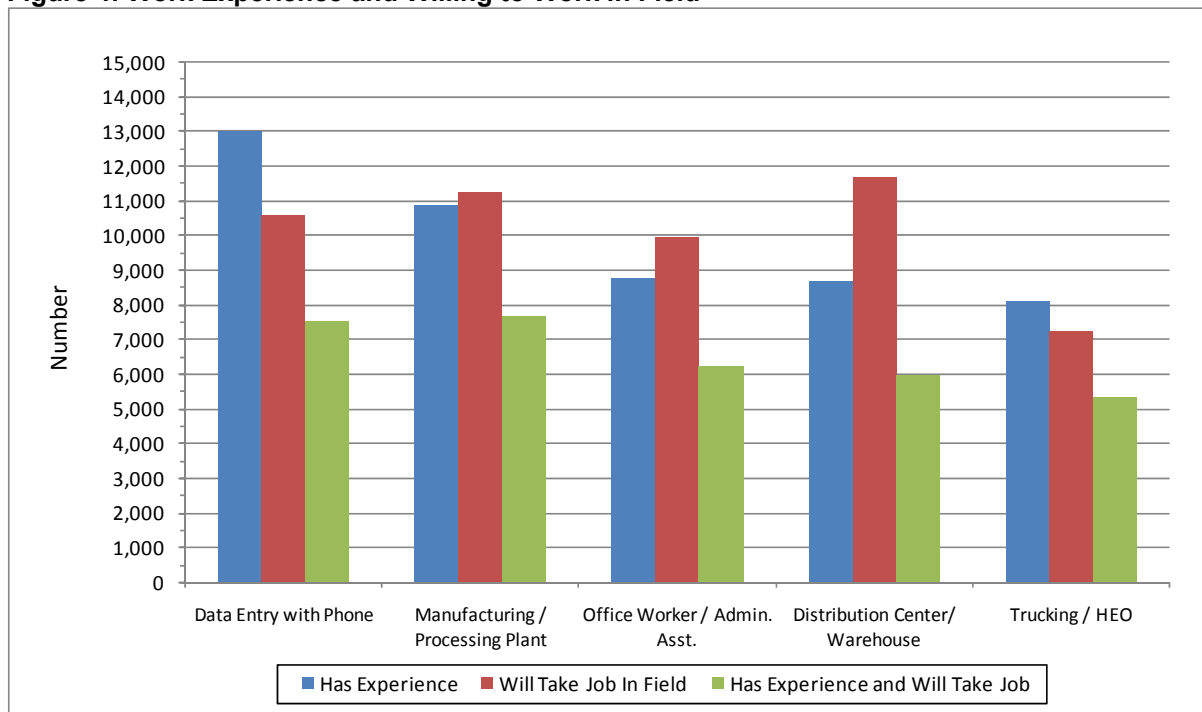
In addition to collecting data regarding the current employment status and previous work or training experience through a series of “open-ended” survey questions (the results of which are shown in the previous table and figure), respondents were asked about the five specific employment areas listed in Figure 4. Respondents were first asked if they had training or work experience in a specific field (blue columns) and then if they would take a job in that field regardless of their prior training or experience (dark red columns).

The figure indicates that an estimated 12,975 ALP members report having training and/or experience in data entry with telephone operation, while fewer (10,600) would consider employment in that field. It is estimated that between about 10,900 and 8,600 of the Available Labor Pool members also have training and/or experience as manufacturing or processing plant workers, office workers and administrative assistants, warehousing/distribution workers. Fewer (about 8,000) have training or experience in trucking or heavy equipment operation.

Among the employment options listed, the most popular is warehouse or distribution work with an estimated 11,700 ALP members willing to take a job in that field. Manufacturing work, data entry with telephone work, and office work are also popular employment fields. Lastly, an estimated 7,200 ALP might be interested in a job in trucking or heavy equipment operation.

The third column shows the number and percent of ALP members that have experience or training in a field **and** are willing to work in that field again.

Figure 4: Work Experience and Willing to Work in Field



Survey respondents who indicated that they had worked in distribution/warehousing and those that indicated that they had worked in manufacturing and processing were asked additional questions to assess the type of work they performed at those jobs. Figures 5 and 6 show the responses to those questions.

Figure 5: Work Experience in Distribution Center or Warehouse

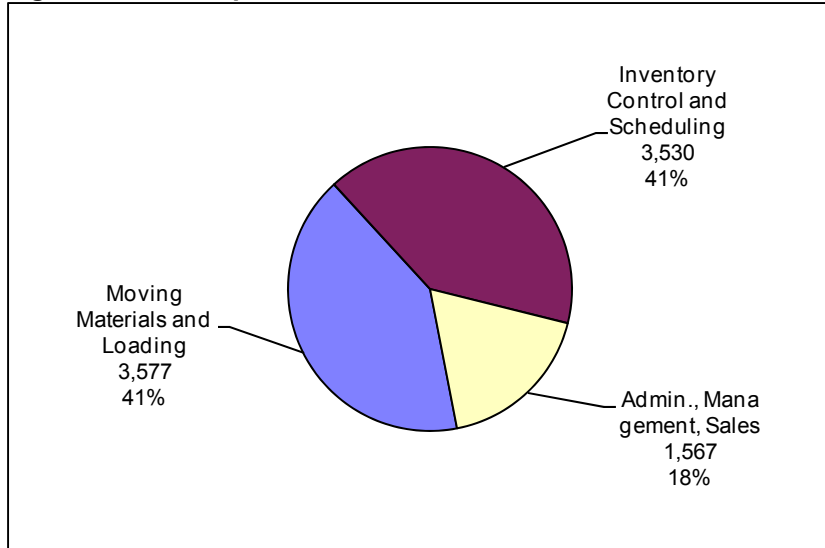
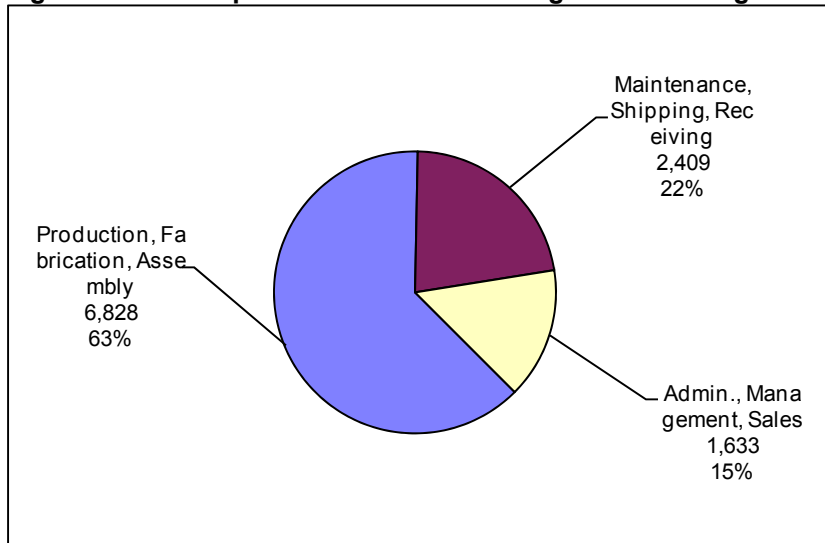


Figure 6: Work Experience in Manufacturing or Processing

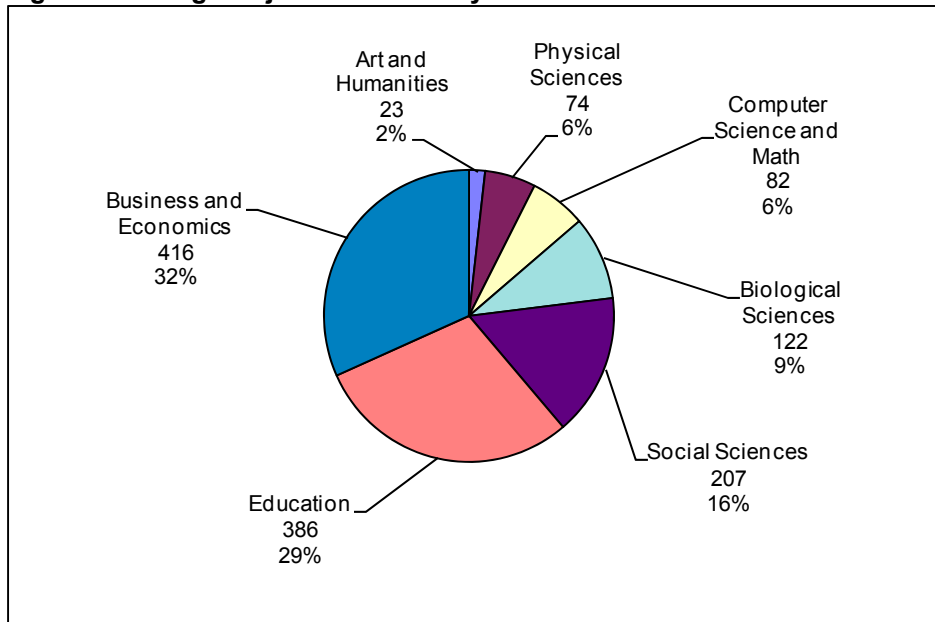


Respondents that had completed at least some college or are currently enrolled in a community college, college, or university were asked to provide their major area of study. Answer options included:

- A. Social Sciences
 - Sociology, Psychology, Anthropology, Politics and Social Work.
- B. Biological Sciences and Health
 - Biology, Agriculture, Nursing, Pre-med, Pre-vet and Human Performance.
- C. Physical Sciences and Engineering
 - Physics, Geology, Chemistry and Engineering.
- D. Business and Economics
 - Management, Accounting, Finance, Marketing and Economics.
- E. Education
 - Elementary and Secondary Teaching.
- F. Computer Science and Math
 - Computer Programming or Technology, Networking, Web Design and Math.
- G. Arts and Humanities
 - Art, Music, History, Philosophy and Languages.

The figure below shows that most ALP members indicate a major in Business and Economics (32%), Education (29%), or Social Sciences (16%). Biological Sciences round out the top four with another 9%.

Figure 7: College Major Field of Study



Survey respondents were also asked questions assessing their need for training in various skill areas that employers often desire. Figure 8 shows majorities of ALP members report needing “no additional training” for a job requiring working in groups or interpersonal skills (80%), math (59%), and writing (53%)⁵.

Figure 8: Self-Assessed Training Needs

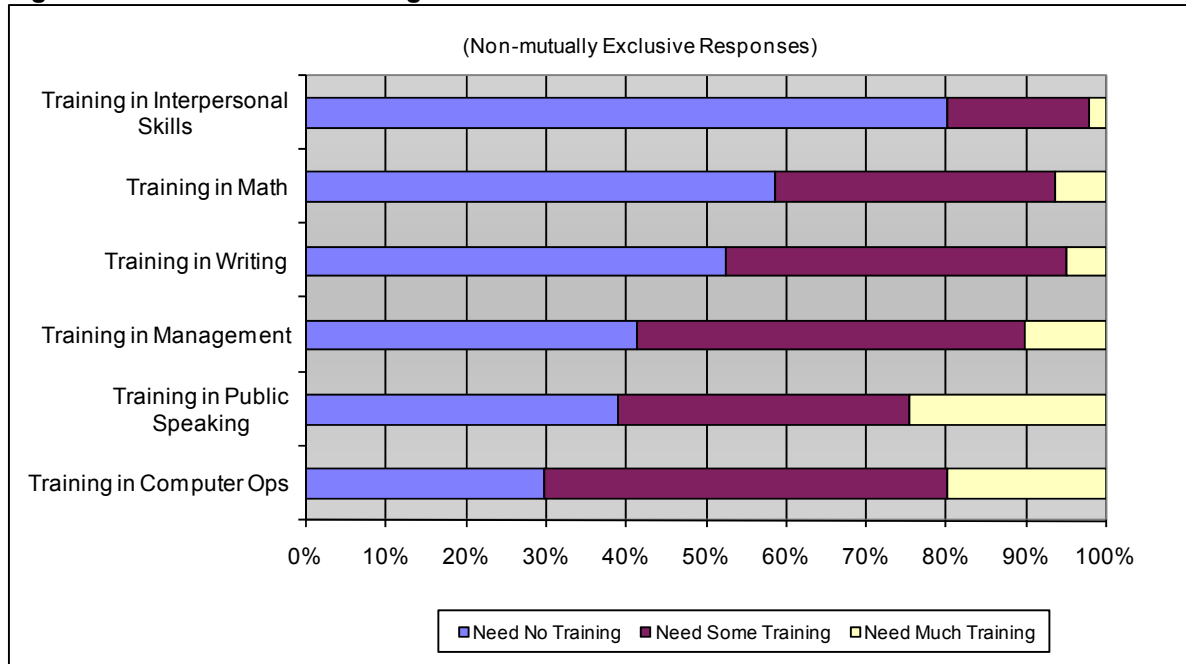


Figure 9 (next page) and Table 4 (next page) show responses to questions regarding job satisfaction. The figure and table report responses from working survey respondents only. The figure shows that about 53% of the working ALP respondents “strongly agree” with a statement suggesting that they “enjoy the things I do,” while about 36% “mildly agree” with that statement⁶.

About 85% of the working ALP respondents indicate that they “strongly agree” or “mildly agree” with a statement regarding having a “generally positive work environment,” while about the same percentage (82%) “strongly agree” or “mildly agree” with a statement regarding a having a “reasonable work load.” About 75% of the respondents to this question suggest that they “strongly agree” or “mildly agree” with statements regarding a “fair chance at pay increases” for the work they perform.

⁵ The responses shown in Figure 8 are ordered by “need no training” percentages.

⁶ The responses shown in Figure 9 are ordered by combined “strongly agree” and “mildly agree” percentages.

The statement with the largest percentages of disagreement is with regards to having a “fair chance for promotion.” More than half (55%) of the respondents indicate that they “mildly disagree” or “strongly disagree” with this statement.

Figure 9: Job Satisfaction Among Working ALP

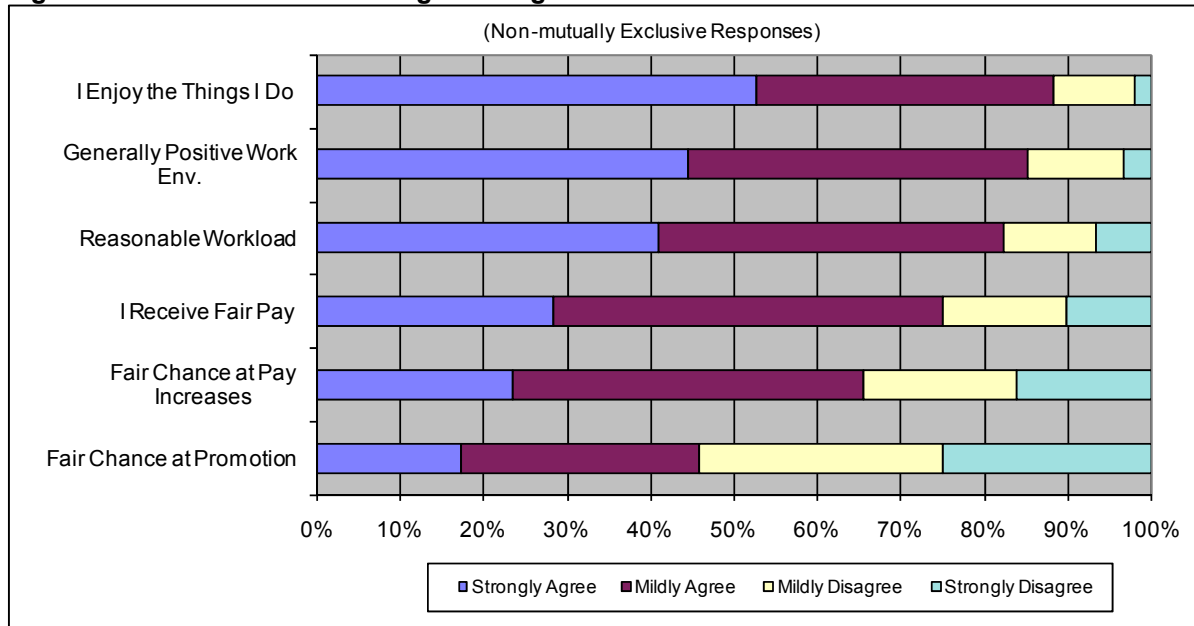


Table 4 shows combined “strongly agree” and “mildly agree” percentages only. The table also shows the responses of ALP members and non-ALP members. The table suggests that slightly more than 88% of the working ALP member “strongly agree” or “mildly agree” with the statement regarding “enjoying the things I do.” Slightly more than 96% of the survey respondents that are working **non-ALP** members suggest the same.

Regarding having a “fair chance for promotion,” 46% of the working ALP members indicated that they strongly or mildly agree with that statement. As for working non-ALP members, 48% of the respondents indicate the same.

Table 4: Job Satisfaction Among Working ALP and Non-ALP

	Strongly and Mildly Agree	
	ALP Only Percent	Non-ALP Only Percent
I Enjoy the Things I Do	88.4	96.1
Generally Positive Work Env.	85.2	92.7
Reasonable Workload	82.4	90.4
I Receive Fair Pay	75.1	75.1
Fair Chance at Pay Increases	65.7	73.8
Fair Chance at Promotion	46.0	48.0

Total numbers or percentages in table might not match those in text due to rounding.

Considerations for Employment

An important consideration for many employers looking to locate or expand operations is whether workers are willing to pursue new employment opportunities. Some workers may be available for new employment but are unwilling to switch from their current job to a different type of position. A large percentage of those unwilling to change their jobs, might limit the types of employers that can enter the labor basin. Figure 10 indicates that 16,621 (83%) members of the ALP in the Elkhorn Valley Labor Basin are willing to accept positions outside of their primary fields of employment.

Figure 10: Willing to Work Outside of Primary Field

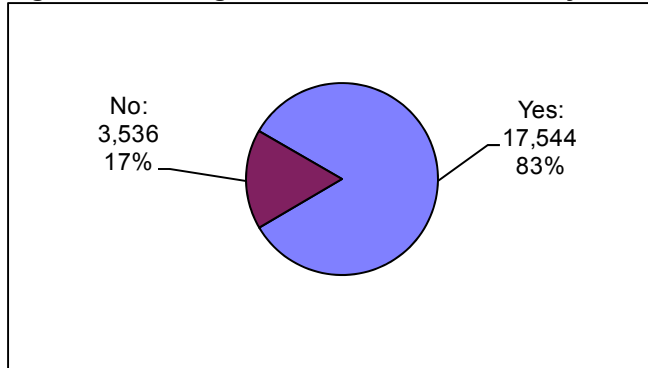


Table 5 and Figure 11 suggest that the ALP in the Elkhorn Valley Labor Basin is open to commuting. About 17% of the members of the Available Labor Pool will commute up to 45 minutes, one way, for an employment opportunity, while 65% will commute up to 30 minutes for employment. About 94% will travel up to 15 minutes for employment.

Table 5: Available Labor by Commute Minutes

	Number	Cumulative Percent
More than 60 Minutes	241	1.1
Up to 60 Minutes	2,040	9.7
Up to 55 Minutes	2,040	9.7
Up to 50 Minutes	2,040	9.7
Up to 45 Minutes	3,668	17.4
Up to 40 Minutes	4,664	22.1
Up to 35 Minutes	4,893	23.2
Up to 30 Minutes	13,703	65.0
Up to 25 Minutes	14,441	68.5
Up to 20 Minutes	17,612	83.5
Up to 15 Minutes	19,901	94.4
Up to 10 Minutes	20,714	98.3
Up to 5 Minutes	21,080	100.0

Total numbers or percentages in table might not match those in text due to rounding.

Figure 11: Available Labor by Commute Minutes

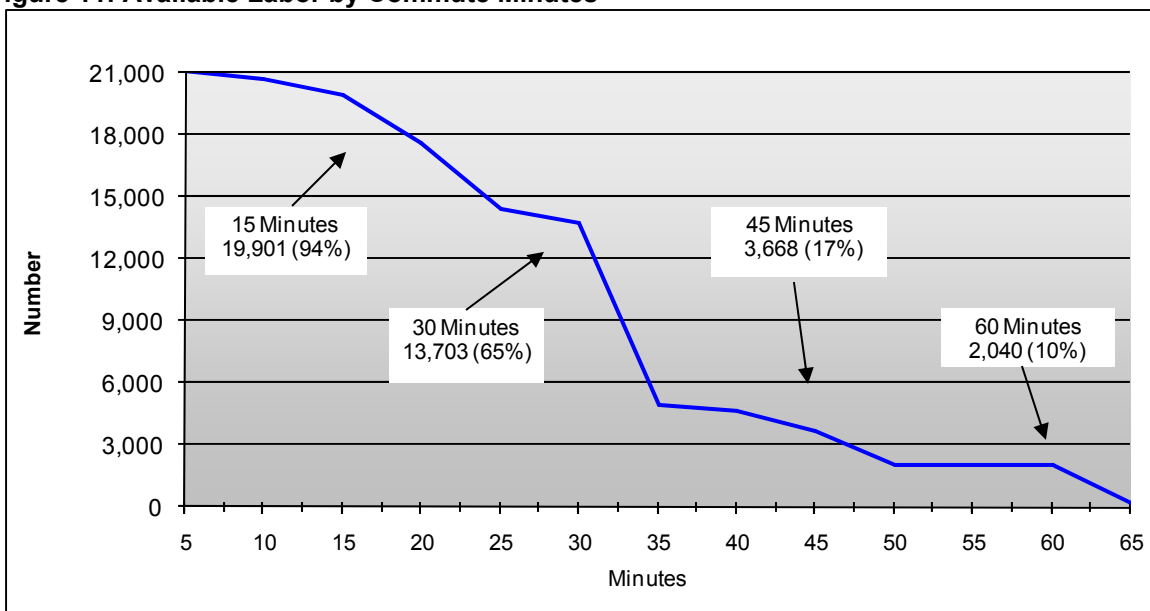


Figure 12 shows various benefits affecting the decisions of current workers to take a different job and potential workers to take a new job. The four most important benefits, in order, are good salary or hourly pay, good retirement benefits, good health benefits, and on-the-job (OJT) or paid training. Each of these four items received 80% or more support from survey respondents. Good vacation benefits followed very closely behind at about 78%. Good education assistance followed at about 58%. Transportation assistance followed at about 28%.

Figure 12: Benefits Very Important to Change Employment

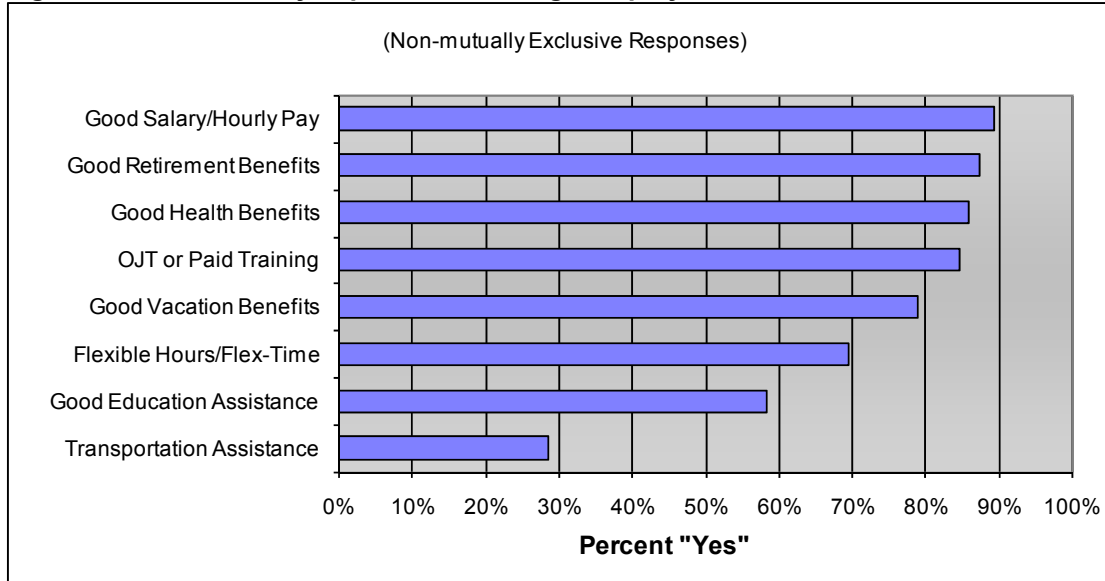


Table 6 lists some of these benefits, as well as percentages of working ALP members that are currently offered these benefits. The figures in the left percent column indicate the percentages of all ALP members that suggest a benefit is an *important* consideration in taking a new or different job, while the figures on the right show the percentages of working members of the ALP that have been offered the benefit by their employers.

Table 6: Desired Benefits and Current Benefits Offered

	Benefit Important to Change Jobs Percent	Benefit Currently Offered* Percent
Good Retirement Benefits	87.2	82.3
Good Health Benefits	85.9	84.0
OJT or Paid Training	84.6	82.8
Flexible Hours/Flex-Time	69.5	55.8
Good Education Assistance	58.3	54.6
Transportation Assistance	28.4	18.7

* This column represents responses from working ALP members only.

Wage Demands for the Willing to Commute

To present an even more refined picture regarding the number of workers who would seriously consider a new employment opportunity, the data in this section of the report includes only those respondents that are determined to be “willing to commute the necessary travel time” for a new or different job opportunity. “Necessary travel time” is defined as a travel time stated by the respondent that is equal to or greater than the travel time necessary for the respondent to commute to the center of the labor basin. For example, a respondent that is willing to travel for 30 minutes, one-way, for a new or different job opportunity and that lives an estimated 15 minutes from the center of the labor basin is considered “willing to commute the necessary travel time” for a new job. Data from such a respondent are included in this section of the report.

Figure 13: Available Labor by Hourly Wage (Controlling for Willing to Commute)

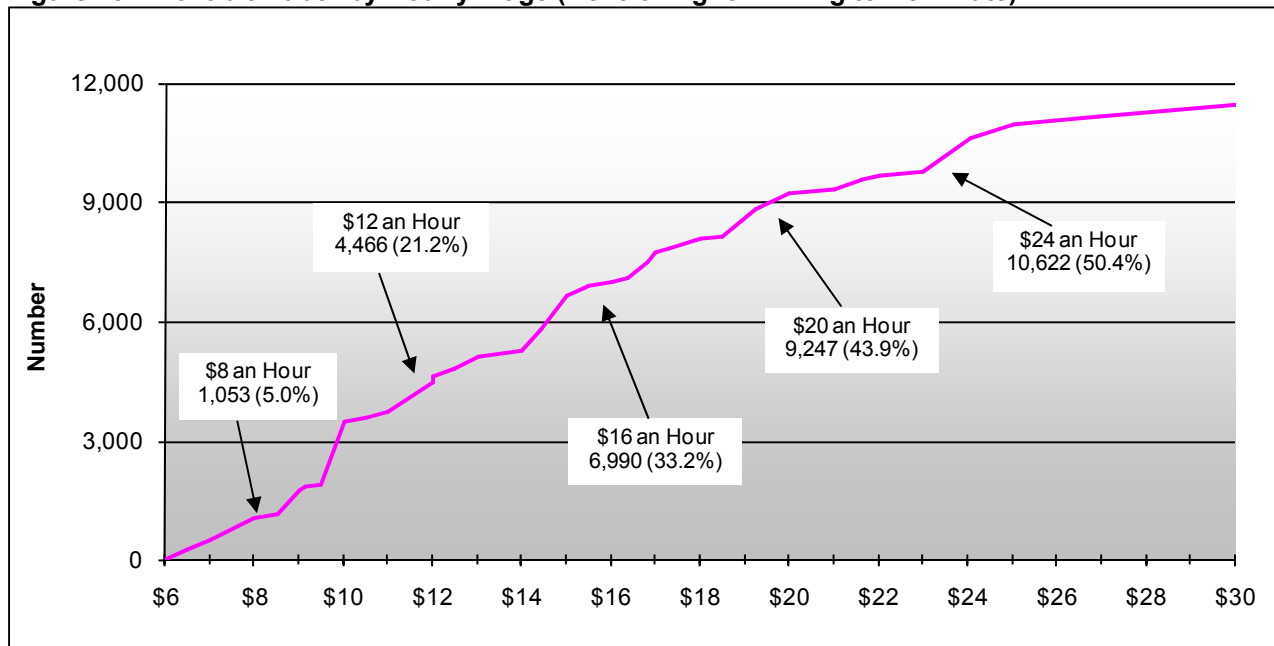


Figure 13 shows the wage demands for the ALP members that are “willing to commute.” It is estimated that about 10,622 people (or about 44%) are interested in a new job at \$24 an hour⁷. Approximately 9,247 (or 43.9%) members of the labor pool are interested in new employment opportunity at \$20 an hour, while 6,990 (or 33.2%) are interested at \$16 an hour. Finally, about 4,466 people (or 21.2%) are interested in a new job at \$12 an hour and 1,057 (or 5.0%) at \$8 an hour.

Figure 13 suggests the obvious: that the higher the wage, the larger the pool of available labor. For example, 3,470 members of the ALP are available for a new or different job at \$10.00 an hour. At \$12.00 an hour, however, the size of the available labor increases to 4,465 members. This represents an increase of 995 individuals.

The graph also highlights various “wage preference plateaus” that may be of interest to current and potential employers. A wage preference plateau is a situation in which an increase in wage results in only a small increase in available labor. For example, about 1,053 members of available labor are interested in a job at \$8.00 an hour. At \$8.50 an hour there are approximately

⁷ See Appendix II for an hourly wage/annual salary conversion chart.

1,135 individuals available. So, while there is certainly an increase in the number of available workers at this higher wage rate, the increase is estimated to be only 82 individuals. Similarly, there are about 3,470 individuals available at \$10.00 an hour but only about 80 more available at \$10.50 an hour. Finally, there are about 6,915 individuals available at \$15.50 an hour but only about 75 more available at \$16.00 an hour.

Wage Demands by Occupational Sector (Controlling for Willing to Commute)

Another way to examine the wage demands of a labor basin's ALP is by occupational sector. Table 7 shows the four main occupational sectors of the ALP. As with Figure 12, this table includes only those members of the ALP that indicate that they are "willing to commute the necessary travel time" for a new job. Additionally, Table 7 represents *employed* members of the ALP only.

The table shows that 25% of the general laborers that are willing to commute will take a new or different job at a wage of \$12 an hour or more. Forty-five percent is available for new employment at a wage of \$15 an hour or more. Of the skilled laborers, 8% are available at \$15 an hour or more, and 8% are available \$12 an hour or more.

Nearly 40% of the service workers willing to commute is available at \$12 an hour, while almost 60% are available at \$15 an hour or more. Conversely, none of the professional workers that are willing to commute are available for a job that pays less than \$15 an hour.

It should be noted that the margins of error are large for each of these subsets of the ALP due to the small subset of survey respondents fitting all necessary conditions. These findings are only speculative.

Table 7: Cumulative Wage Demands for Occupational Sectors

	General Labor		High Skilled Labor		Service Sector		Professional/Sales	
	(N= 39) (+/- 15.8% MoE)		(N= 12) (+/- 28.4% MoE)		(N= 54.2) (+/- 13.3% MoE)		(N= 25.4) (+/- 19.5% MoE)	
	Number	Cumulative	Number	Cumulative	Number	Cumulative	Number	Cumulative
\$30 or More	3,457	100%	1,067	100%	4,838	100%	2,265	100%
Up to \$30	3,285	95%	800	75%	4,579	95%	1,481	65%
Up to \$27	3,285	95%	800	75%	4,579	95%	1,481	65%
Up to \$24	3,025	88%	444	42%	4,234	88%	1,045	46%
Up to \$21	2,939	85%	267	25%	4,147	86%	871	38%
Up to \$18	2,247	65%	178	17%	3,888	80%	436	19%
Up to \$15	1,556	45%	89	8%	2,851	59%	174	8%
Up to \$12	864	25%	89	8%	1,814	38%	0	0%
Up to \$9	86	3%	0	0%	518	11%	0	0%
Up to \$6	0	0%	0	0%	0	0%	0	0%

Table 8 shows wage demand data for general labor and service sector workers that are willing to change fields of employment and thus, are presumably potential workers for either of these two sectors. Table 8 *includes* data from respondents that:

- 1 are willing to commute the necessary travel time from his/her community to the center of the labor basin, *and*
- 2 are willing to change their primary field of employment (for example: service sector employment to general labor employment), *and*
- 3a are currently non-employed, *or*
- 3b are employed as general laborers or service sector employees.

Table 8: Cumulative Wage Demands Allowing Mobility between General Labor and Service Sector

	Mobile General Labor		Mobile Service Sector	
	(N= 100) (+/- 9.8% MoE)		(N= 95.7) (+/- 10.0% MoE)	
	<i>Number</i>	<i>Cumulative</i>	<i>Number</i>	<i>Cumulative</i>
\$30 or More	7,992	100%	7,642	100%
Up to \$30	7,608	95%	7,260	95%
Up to \$27	7,608	95%	7,260	95%
Up to \$24	7,070	88%	6,801	89%
Up to \$21	6,917	87%	6,725	88%
Up to \$18	6,071	76%	6,113	80%
Up to \$15	4,611	58%	4,661	61%
Up to \$12	3,151	39%	3,210	42%
Up to \$9	999	13%	1,070	14%
Up to \$6	0	0%	0	0%

Table 7 (previous page) presents data representing each occupational sector *independently* and that table does not include non-working ALP members. Table 8, on the other hand, allows a general laborer or service sector worker to be classified in both sectors *if* he or she indicates a willingness to change fields of employment (see Figure 10). Additionally, it is assumed that a non-working ALP member will take a job (all things being equal) in either the general labor sector or the service sector.

High-skilled blue-collar workers and professional white-collar workers are *excluded* from Table 8 because it is presumed that, as a general rule, people in occupations such as Doctors, Lawyers, Engineers, Professors, Machinists, Electricians, etc... are unlikely to transfer into lower-skilled general labor and service/support occupations. It is also presumed that, because professional and highly skilled occupations require extensive education and/or training, lower-skilled general laborers and service sector workers are unable to transfer to higher-skilled labor or professional positions in the near term.

Underutilization Among Available Labor Pool Workers

Underutilization — individuals possessing skills and/or training that exceeds the responsibilities of their current job — is a significant issue in many communities. To assess underutilization in the Elkhorn Valley Labor Basin, *employed members of the ALP* were presented with a scenario describing underutilization. They were then asked a series of questions assessing if they perceived themselves as underutilized because: 1) their skill level is greater than their current job requires, 2) they possess higher levels of education than is required on the job, 3) they earned a higher income at a similar job previously, or 4) they were limited in the number of hours that they could work.

Among the 18,844 *employed members* of the ALP (shown in Figure 14), 34% answered “yes” to one or more of the questions presented above (see Figure 15). These 6,341 working members of the ALP are considered underutilized.

Figure 14: Employed Members of the Available Labor Pool

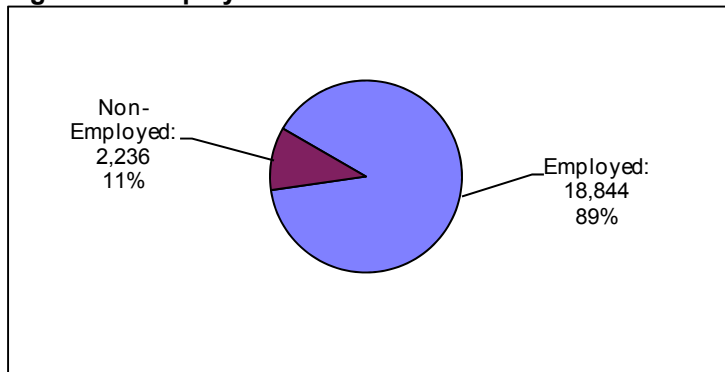


Figure 15: Underutilized Workers

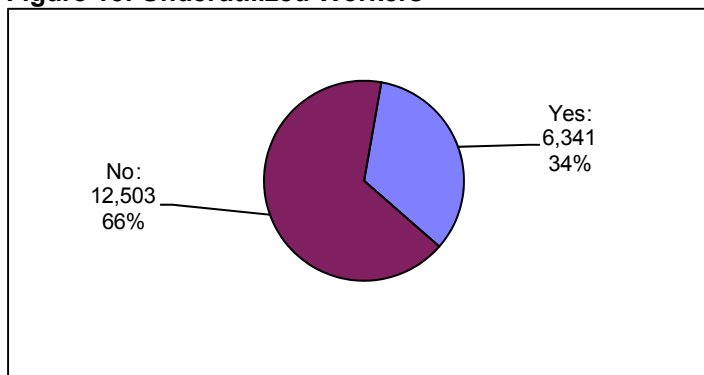


Figure 16 shows the percentages of the positive responses (i.e., “yes” answers) to the various measures of underutilization. About 23% of this subset of the ALP suggest that they possess skills that are not being used on the job, while 20% consider themselves underutilized because their education levels exceed those needed for their current jobs. Sixteen percent had a previous job that provided more income, while about 14% suggest they are not able to work enough hours.

Figure 16: Reasons for Underutilization

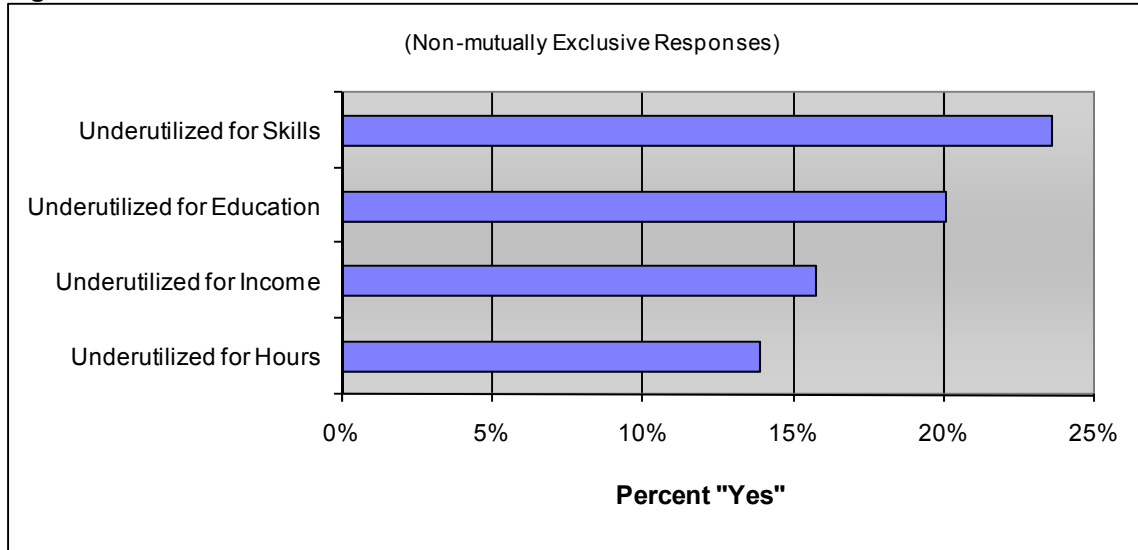


Table 9 and Figure 17 (next page) show some characteristics of the underutilized members of the ALP. Table 9 indicates that the education level of the underutilized workers compares to that of the overall ALP, with about 74% having at least some college education and 49% having completed associate’s degrees. (Table 1 shows that about 71% of the entire ALP have some college experience and 47% having completed associate’s degrees).

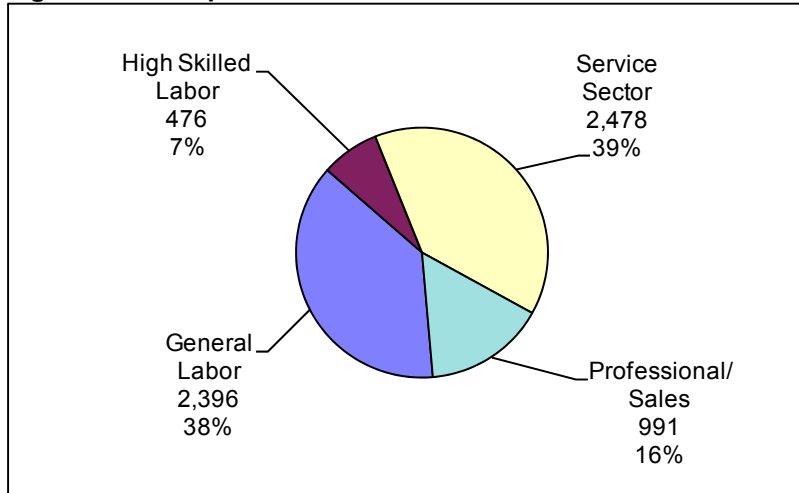
Table 9: Highest Level of Education Achieved Among Underutilized

	Number	Percent	Cumulative Percent
Doctoral Degree	80	1.3	1.3
Masters Degree	558	8.8	10.1
Bachelors Degree	713	11.2	21.3
Associates Degree	1,728	27.2	48.6
Some College	1,583	25.0	73.5
High School Diploma Only	1,602	25.3	98.8
Less HS Diploma	77	1.2	
Total	6,341	100	

Total numbers or percentages in table might not match those in text due to rounding.

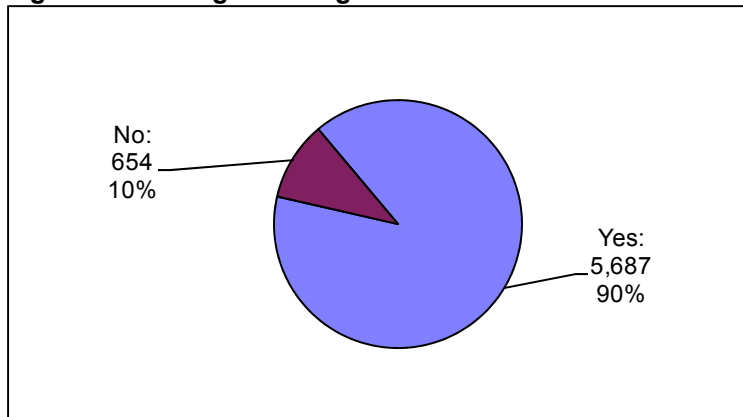
Figure 17 shows that 38% of the underutilized workers are employed as general laborers and 7% are employed as highly skilled blue-collar workers. Many (39%) underutilized workers are employed as service sector and support workers, and about 16% hold professional positions.

Figure 17: Occupational Sectors of Underutilized Workers



Respondents indicating that they were underutilized were also asked a follow-up question addressing the willingness to change jobs in order for them to better utilize their skills and/or education. Figure 18 suggests that a nearly all – 90% (or 5,687 individuals) – of the underutilized workers are willing to change jobs to address underutilization.

Figure 18: Willing to Change Job to Better Use Skills/Education



Methodology

The Elkhorn Valley Labor Basin has a total population of approximately 103,170 and a Civilian Labor Force (CLF) of 57,464. The Docking Institute's analysis suggests that the basin contains an Available Labor Pool (ALP) of 21,080 individuals.

Explaining the Civilian Labor Force

Traditional methods of assessing the dynamics of the labor force have concentrated on what the Bureau of Labor Statistics (BLS) calls the Civilian Labor Force (CLF). The CLF represents "the civilian non-institutional population, 16 years of age and over classified as employed or unemployed." The BLS defines "non-institutional civilians" as those individuals who are not inmates in institutions and who are not on active duty in the Armed Forces; and "unemployed civilians" as civilians available for work and who had "made specific efforts to find employment" in the previous four weeks.

While a review of CLF statistics represents the starting point for understanding the labor force in the Elkhorn Valley Labor Basin, there are some limitations associated with these statistics. These limitations occur because the CLF *excludes* individuals who may be willing and able to be gainfully employed but have not made specific efforts to find employment in the last four weeks. These individuals may include full-time students who do not work, homemakers, the unemployed who are no longer actively seeking employment, military personnel who may be leaving military employment in the near future and retired individuals who may be available for work but have not been looking for work recently.

In addition, most new employers draw their workforce from those who are presently employed, not those who are unemployed. As such, Census-based and BLS data (such as the CLF) do not specifically address the possibility of workers moving from one industry to another in search of other employment opportunities.

Defining the Available Labor Pool

An alternative to the CLF is the "Available Labor Pool⁸." The Available Labor Pool is composed of workers categorized as either 1) currently not working *but* looking for employment, 2) currently employed (full- or part-time) *and* looking for other full-time employment, 3) currently not working in any manner *but* willing to consider different employment for the *right opportunity*, and 4) currently employed and not looking, *but* willing to consider different employment for the *right opportunity*.

There are two key differences between the Civilian Labor Force and the Available Labor Pool. First, the Available Labor Pool methodology expands the pool of potential workers by including workers excluded from the CLF⁹. Secondly, the number of potential workers is then

⁸ The Available Labor Pool includes potential workers excluded from the CLF (such as full-time students willing to take a job, homemakers who have not yet sought employment, military personnel who may be leaving military employment in the near future, and retired individuals who may be willing and able to be gainfully employed).

⁹ The number that is added to the Civilian Labor Force is derived by taking from the survey the total number of full-time students, homemakers, military, retirees, and long-term unemployed, who state that they are seeking or available for employment and are within a reasonable commute distance to the center of the labor basin, and dividing this number by the total number of respondents. This quotient is then multiplied by the total number of people in the labor basin who are 18 to 65 years old.

restricted to those workers who indicate they are looking for work or are available for new employment. The advantage of this methodology is that it allows researchers to examine those members of the labor pool who have a propensity to consider a job opportunity given their employment expectations. Even with these restrictions, it should be noted that, in practice, not all members of the Available Labor Pool would apply for a new job opportunity. However, the Available Labor Pool figure for a labor basin reveals to current employers and potential employers better information about the quantity and quality of the labor pool than do Civilian Labor Force data and unemployment statistics. The Available Labor Pool for the Elkhorn Valley Labor Basin includes 21,080 individuals; this represents a sizeable number of workers and potential workers for employers to draw upon in the Elkhorn Valley Labor Basin.

Survey Research Methods

Data for this study was collected from a random digit telephone survey¹⁰ of adults living in seven counties in south central Kansas. Surveying took place from June 1, 2007 to July 1, 2007, using a Computer Assisted Telephone Interviewing (CATI) system. A total of 2,053 households were successfully contacted during the data collection period, and a randomly selected adult¹¹ in each was asked to participate in the study. In 1,234 households the selected adult agreed to be interviewed. This represents a cooperation rate of 60% and a margin of error of +/- 2.8%.

Survey respondents that were 65 years of age or older and retired or over 65 and not working and not interested in a new or different job were not asked the entire battery of survey questions and are not included in the analysis of this report. The remaining respondents (all other working and non-working respondents) total to 745, and are considered eligible respondents. Of these 745 cooperating and eligible respondents, 35% (or 264) indicated that they were available for new or different employment and/or were looking for a new or different job. This subgroup is considered the Available Labor Pool for the Elkhorn Valley Labor Basin. Responses from 264 individuals provides a margin of error of +/- 6%.

The study sponsors and Institute personnel agreed upon the survey items used, with the former identifying the study objectives and the latter developing items and methodologies that were valid, reliable, and unbiased. Question wording and design of the survey instrument are the property of the Docking Institute. A detailed summary of the method of analysis used in this report can be found in Joseph A. Aistrup, Michael S. Walker, and Brett A. Zollinger, "The Kansas Labor Force Survey: The Available Labor Pool and Underemployment." *Kansas Department of Human Resources*, 2002.

¹⁰ The telephone numbers were assembled by randomly generating suffixes within specific area codes and prefixes. As such, unlisted numbers were included in this sample, minimizing the potential for response bias. Known business, fax, modem, and disconnected numbers were screened from the sample in efforts to reach households only (and to minimize surveyor dialing time).

Up to eight attempts were made to contact each respondent during three calling periods (10 AM to Noon, 2 PM to 4 PM, and 6 PM to 9 PM). Initial refusals were re-attempted by specially trained "refusal converters," which aided in the cooperation rate.

¹¹ Surveyors requested to "speak with an adult over the age of 17 that has had the most recent birthday."

Appendix I: Current Employment Status of Available Labor Pool

	Current Employment Status of ALP	
	Number	Percent
General Labor/Construction/Cleaning	1,303	6.2
Farm Labor/Ranch Hand/Landscaping	645	3.1
Delivery/Driver/Courier	172	0.8
Maintenance/Wiring/Plumbing	1,388	6.6
Factory Worker/Grain Elevator Op/Meat Packer	1,536	7.3
Truck Driver/Heavy Equipment Operator	805	3.8
Police/Fire/Postal/Military Enlisted	461	2.2
Mechanic/Welder/Carpenter/Electrician	584	2.8
Lab or Medical Technical/Comp Technician	562	2.7
Other Blue Collar	0	0.0
General Customer Service/Retail/Reception/Food Service	1,859	8.8
Clerical/Secretary/Book-Keeper/Bank Teller	1,362	6.5
Para-legal/Para-pro/CNA/Day Care	1,248	5.9
Nurse/LPN/RN/Semi-skilled Social Service	1,067	5.1
Office Manager/Small Business Owner	1,779	8.4
Teacher/Instructor/Writer/Researcher	1,635	7.8
Sales/Marketing/Accounting	1,187	5.6
Govt, Non-Profit, or Bus Exec/Farm Owner/Military Officer	700	3.3
Counselor/Social Worker/Physician's Assistant	147	0.7
Professor/Doctor/Engineer/Attorney	308	1.5
Other White Collar	169	0.8
Homemaker	1,023	4.9
Full-Time Student	300	1.4
Unemployed	772	3.7
Retired	68	0.3
Disabled	0	0.0
Total	21,080	100

Total numbers or percentages in table might not match those in text due to rounding.

Appendix II: Hourly Wage to Annual Salary Conversion Chart

Hourly Wage	Annual Salary	Hourly Wage	Annual Salary
\$5.00	\$10,400		
\$5.50	\$11,440		
\$6.00	\$12,480		
\$6.50	\$13,520		
\$7.00	\$14,560		
\$7.50	\$15,600		
\$8.00	\$16,640		
\$8.50	\$17,680		
\$9.00	\$18,720		
\$9.50	\$19,760		
\$10.00	\$20,800		
\$10.50	\$21,840		
\$11.00	\$22,880		
\$11.50	\$23,920		
\$12.00	\$24,960		
\$12.50	\$26,000		
\$13.00	\$27,040		
\$13.50	\$28,080		
\$14.00	\$29,120		
\$14.50	\$30,160		
\$15.00	\$31,200		
\$15.50	\$32,240		
\$16.00	\$33,280		
\$16.50	\$34,320		
\$17.00	\$35,360		
\$17.50	\$36,400		
\$18.00	\$37,440		
\$18.50	\$38,480		
\$19.00	\$39,520		
\$19.50	\$40,560		
\$20.00	\$41,600		
\$20.50	\$42,640		
\$21.00	\$43,680		
\$21.50	\$44,720		
\$22.00	\$45,760		
\$22.50	\$46,800		
\$23.00	\$47,840		
\$23.50	\$48,880		
\$24.00	\$49,920		
\$24.50	\$50,960		
\$25.00	\$52,000		
\$25.50	\$53,040		
\$26.00	\$54,080		
\$26.50	\$55,120		
\$27.00	\$56,160		
\$27.50	\$57,200		
\$28.00	\$58,240		
\$28.50	\$59,280		
\$29.00	\$60,320		
\$29.50	\$61,360		
		\$30.00	\$62,400
		\$30.50	\$63,440
		\$31.00	\$64,480
		\$31.50	\$65,520
		\$32.00	\$66,560
		\$32.50	\$67,600
		\$33.00	\$68,640
		\$33.50	\$69,680
		\$34.00	\$70,720
		\$34.50	\$71,760
		\$35.00	\$72,800
		\$35.50	\$73,840
		\$36.00	\$74,880
		\$36.50	\$75,920
		\$37.00	\$76,960
		\$37.50	\$78,000
		\$38.00	\$79,040
		\$38.50	\$80,080
		\$39.00	\$81,120
		\$39.50	\$82,160
		\$40.00	\$83,200
		\$40.50	\$84,240
		\$41.00	\$85,280
		\$41.50	\$86,320
		\$42.00	\$87,360
		\$42.50	\$88,400
		\$43.00	\$89,440
		\$43.50	\$90,480
		\$44.00	\$91,520
		\$44.50	\$92,560
		\$45.00	\$93,600
		\$45.50	\$94,640
		\$46.00	\$95,680
		\$46.50	\$96,720
		\$47.00	\$97,760
		\$47.50	\$98,800
		\$48.00	\$99,840
		\$48.50	\$100,880
		\$49.00	\$101,920
		\$49.50	\$102,960
		\$50.00	\$104,000