

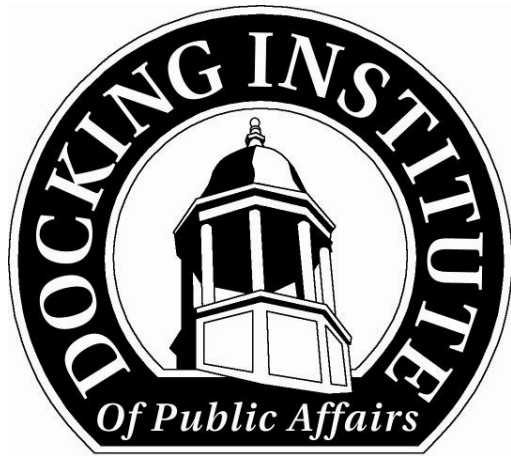
Ellis County Labor Basin Labor Availability Analysis

Barton, Ellis, Graham, Ness, Osborne,
Rooks, Rush, Russell, and Trego Counties, Kansas



Prepared For
Ellis County Coalition
Prepared By
The Docking Institute of Public Affairs

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Fort Hays State University
600 Park Street
Hays, Kansas 67601-4099
Telephone: (785) 628-4197
FAX: (785) 628-4188
www.fhsu.edu/docking

Brett A. Zollinger, Ph.D.
Director

David Weiden, J.D.
Assistant Director

Michael S. Walker, M.S.
Research Scientist

Leslie Paige, M.S., EdS
Grants Facilitator

Joyce Wolfe, M.S.
UCSR Manager

Casey Rackaway, M.A.
Special Events Coordinator

Jodie Wear-Leiker
Administrative Assistant

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Prepared By:

Michael S. Walker, M.S.
Research Scientist

and

Brett Zollinger, Ph.D.
Director,
Docking Institute of Public Affairs

Prepared For:

Mike Michaelis
Executive Director
Ellis County Coalition
1301 Pine Street
Hays, Kansas 67601

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Ellis County Labor Basin Labor Availability Analysis

Executive Summary

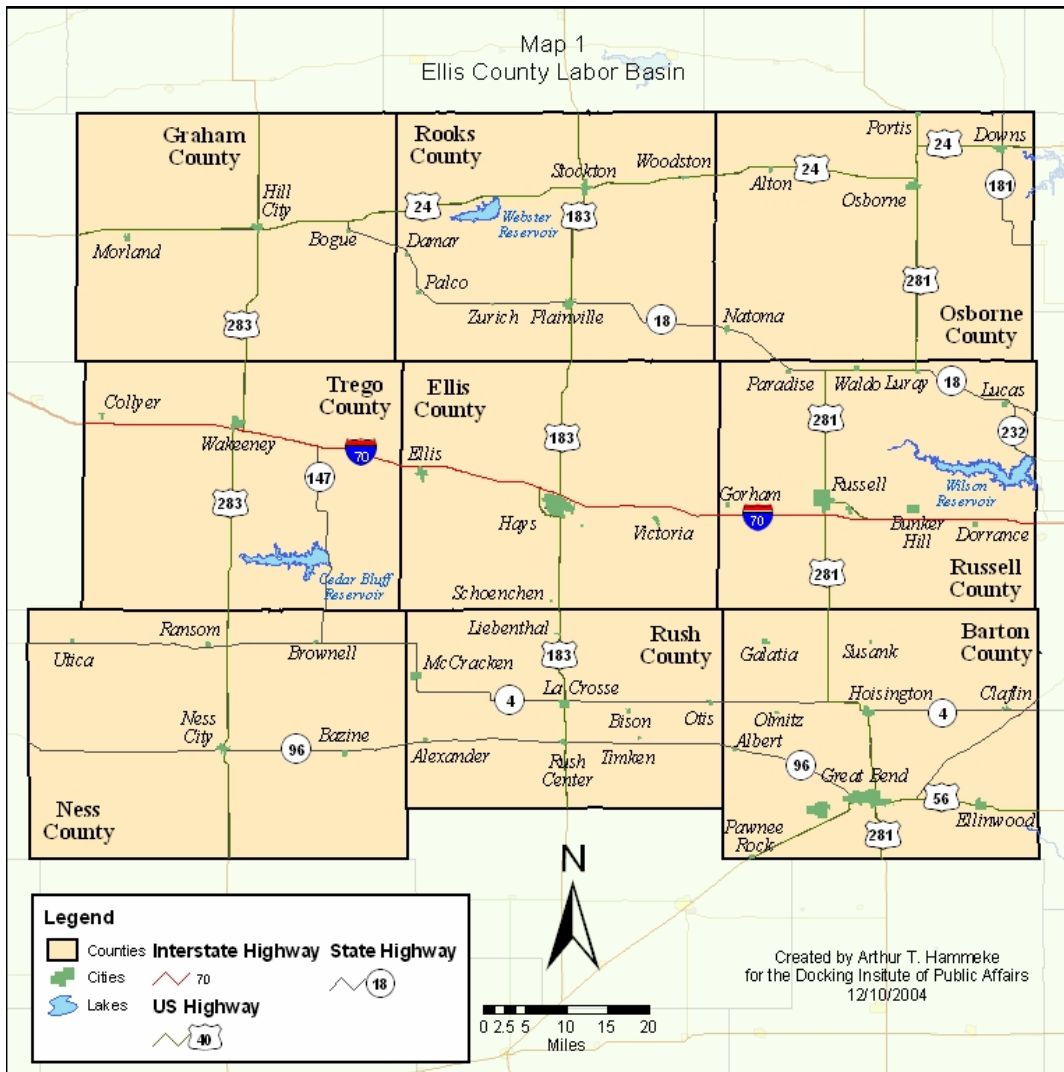
The Ellis County Labor Basin includes Barton, Ellis, Graham, Ness, Osborne, Rooks, Rush, Russell, and Trego counties in Kansas. The purpose of this report is to assess the “Available Labor Pool” in this labor basin. The “Available Labor Pool” represents those who indicate that they are looking for employment 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 Ellis County Labor Basin is estimated to be 83,669. About 22% of the total population (or 18,420 individuals) are considered to be part of the Available Labor Pool (ALP).
- Of the ALP, it is estimated that 1,147 (6.2%) non-working and 2,795 (15.2%) working individuals are **looking** for new employment, while 2,437 (13.2%) non-working and 12,041 (65.4%) working individuals would **consider** new and/or different employment for the right opportunities.
- Almost 73% of the ALP has at least some college experience and more than 96% has at least a high school diploma. Of the employed members of the ALP, 24% speak at least “a little” Spanish. The average age for members of the entire ALP is 43 years.
- ALP members report having “strong work skills” when it comes to working in groups and interpersonal relations (93%), and management and supervision (76%), writing (71%), math (69%), computers (55%), and public speaking (44%).
- Approximately 40% of the ALP members also have education, training, or experience in construction work, 35% in secretarial work, and 30% in customer service work. A higher percentage would **consider** employment in these fields (46%, 41%, and 46%, respectively).
- Slightly more than 86% (or about 15,885 members) 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 28% of the members (or 5,232 individuals) of the ALP will commute up to 40 minutes, one way, for an employment opportunity. About 72% (or 13,260 individuals) will commute up to 30 minutes for employment.
- The most important benefits are good health benefits, good retirement benefits, on-the-job training, and a good salary; all receiving more than 80% support from members of the ALP.
- About 12,160 people (66%) are interested in a new job at \$15 an hour, 8,840 (48%) are available at \$12 an hour, and 4,975 (27%) are available at \$9 an hour. Slightly more than 900 people (5%) are interested in a new job at \$6 an hour.
- Of the 15,912 members in the subset of the ALP that do **not own their own businesses**, 5,646 (35%) have considered starting their own businesses.
- Of the 14,837 member in the subset of **employed members** of the ALP, about 7,567 (51%) considers themselves underutilized. About 76% of this subset of the ALP has some college experience, and a majority (87%) is willing to change jobs to address their underutilized status.

The Ellis County Labor Basin

The Ellis County Labor Basin includes nine counties in northwest Kansas (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 (Hays) for an employment opportunity. In the case of the Ellis County Labor Basin, it can be reasonably assumed that individuals may commute from one of the eight neighboring counties (and within Ellis County) because these counties contain: 1) communities that are sufficiently isolated but with adequate transportation access leading to Hays, and 2) communities that are within an hour's commute time to the center of the labor basin.



The Ellis County Labor Basin has a total population of approximately 83,669, and a Civilian Labor Force (CLF) of 46,218. There is an unemployment rate of 2.88%, but this research effort suggests that there is an ample supply of available labor for a new employer and/or expanded employment. The Docking Institute's independent analysis of this labor basin shows that there are 3,942 workers and non-workers (8.5% of the CLF) who are actively *looking* for new or different employment, and 14,478 (31% 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 that 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 Ellis County Labor Basin is 46,218 workers.

While a review of CLF statistics represents the starting point for understanding the labor force in and around Ellis County, 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) does 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- 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

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

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 that have a propensity to consider a job opportunity given their employment expectations and a realistic potential to take a new job. 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 represents to planners and potential employers a much more solid number than Civilian Labor Force data and unemployment statistics upon which to base conclusions about potential labor. The Available Labor Pool for the Ellis County Labor Basin includes 18,420 individuals. This represents a substantial number of workers and potential workers for employers to draw upon in the Ellis County Labor Basin.

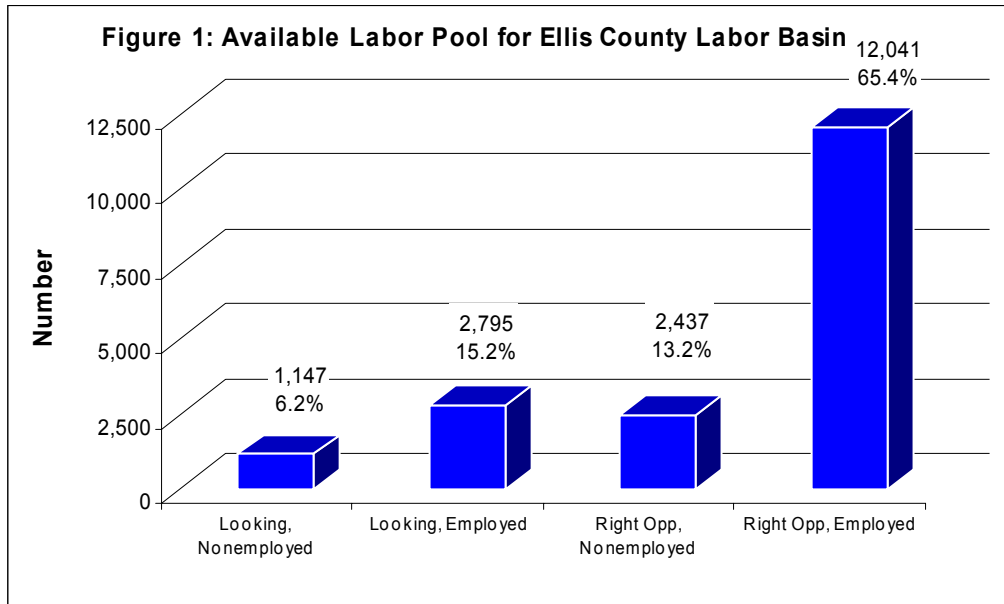
The Ellis County Labor Basin's Available Labor Pool

This section assesses the characteristics of the Available Labor Pool in the Ellis County Labor Basin by answering the following questions: 1) What proportion of the labor force—employed, unemployed, homemaker, military, student, and retired—would seriously consider applying for a new employment opportunity? 2) What skills do those who would consider a new employment opportunity have? 3) What type of jobs have these workers and potential workers had in the past, and are they available for certain lines of work now? 4) What types of considerations (pay, benefits, commuting distance) shape their decision-making? 5) What proportion of those workers among the available labor pool are considered “underutilized” workers? 6) What are some of the characteristics of those underutilized workers? 7) What proportion of the ALP have seriously considered starting their own businesses? and 8) What are some of the characteristics of these potential entrepreneurs?

The percent of the study area population in the Available Labor Pool is derived from a telephone survey of 694 employed (418) and non-employed (276) adults living in the nine counties encompassing the Ellis County Labor Basin. When all 649 respondents are included in the analysis, the survey findings have a margin of error of +/- 3.72%. The margin of error for subgroups is higher. Most of these analyses are based on a subgroup of respondents who were determined to be in the Available Labor Pool (see definition above). For these 257 respondents, the survey has a margin of error of +/- 6.11%. Please see the Methods section of this report for more details about the survey methodology used in this study.

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.

Figure 1 shows that there is an Available Labor Pool in the Ellis County Labor Basin of 18,420³. It is estimated that 1,147 (6.2% of the ALP) non-employed⁴ and 2,795 (15.2%) employed individuals are **currently looking** for new or different employment, while 2,437 (13.2%) non-employed individuals and 12,041 (65.4%) employed individuals **would consider** changing employment for the right opportunities.



³ The Available Labor Pool includes individuals that indicate that they are looking for or are available for full-time employment, and individuals that indicate that they are available for both full-time and part-time employment.

⁴ The terms “non-employed” and “non-working” refer not only to official unemployed members of the Civilian Labor Force. These terms also include any non-employed/non-working full-time students, homemakers, retirees, and disabled individuals.

Table 1 shows the gender, age, education levels, and Spanish skills of the 18,420-member Available Labor Pool. About 58% are women, and the average age is 43. Almost all (96.4%) have at least a high school diploma, more than two-thirds (72.7%) have at least some college education, and more than a quarter (28.5%) have at least a Bachelors Degree. More than 24% of the employment members of the ALP speak Spanish, with 10% of that subset speaking “very well.”

Table 1: Age, Gender, Education Level, and Spanish Skills of Available Labor Pool

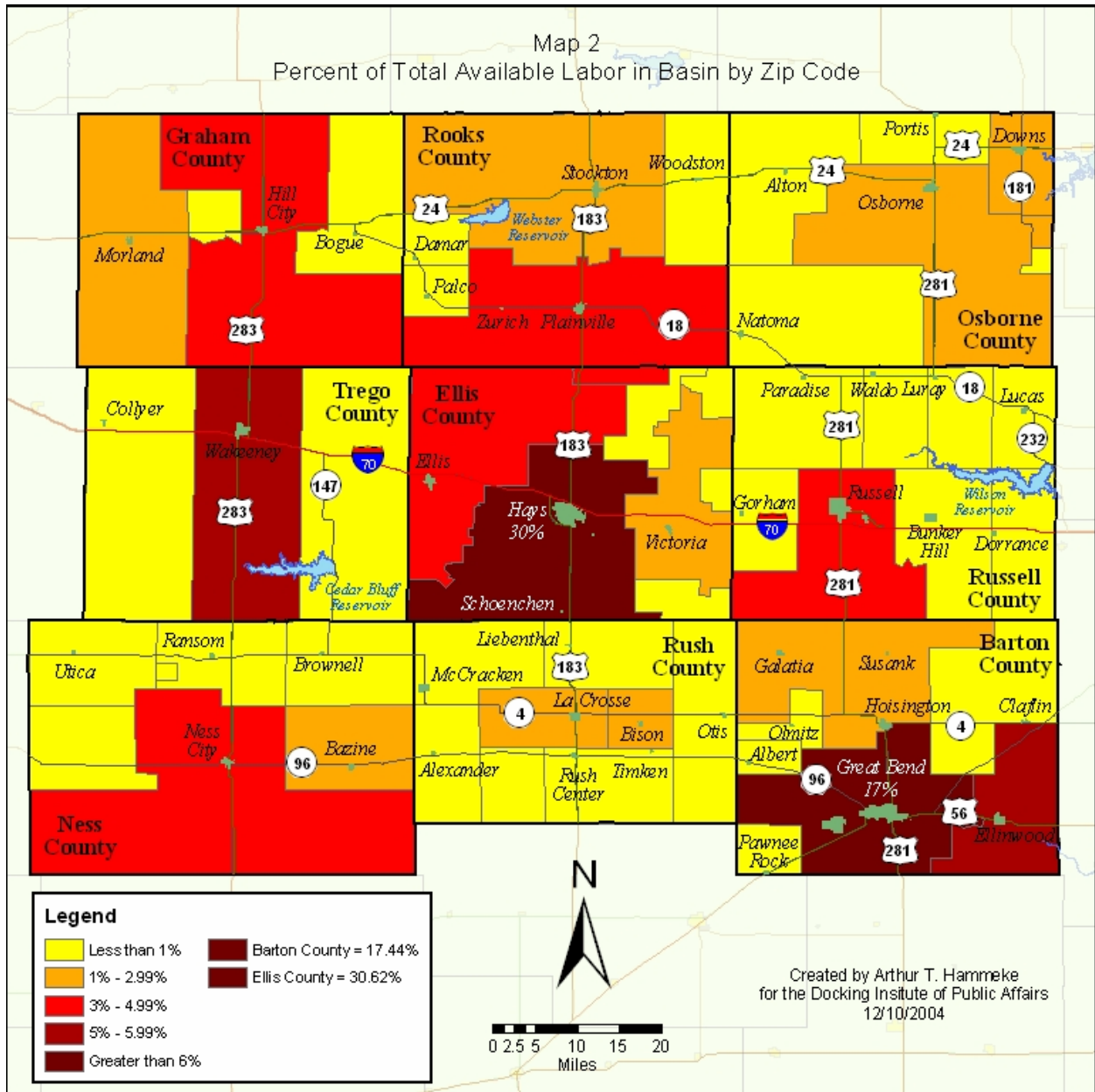
Age	Age in 2004		
Range	18 to 75		
Average	43		
Median	44		
Gender	Number	Percent	
Female	10,733	58.3	
Male	7,687	41.7	
Total	18,420	100.0	
Highest Level of Education Achieved	Number	Percent	Cum. Percent
Doctoral Degree	364	2.0	2.0
Masters Degree	1,311	7.1	9.1
Bachelors Degree	3,568	19.4	28.5
Associates Degree	3,058	16.6	45.1
Some College	5,097	27.7	72.7
High School Diploma Only	4,368	23.7	96.4
Less HS Diploma	655	3.6	100.0
Total	18,420	100.0	
<i>Figures below represent employed members of ALP only (14,837)</i>			
"Do you speak Spanish?"	Number	Percent	
"Yes"	3,601	24.3	
<i>Speak Very Well</i>	360	10.0	
<i>Speak Fairly Well</i>	648	18.0	
<i>Speak Only a Little</i>	2,593	72.0	
<i>These percentages represent portions of 24.3%</i>			

Table 2 shows the various occupational categories of the 18,420 members of the Available Labor Pool. Traditional blue-collar occupations represent almost 30% of the Available Labor Pool, including 3,082 (16.7%) general laborers, 788 (4.3%) farm workers, and 287 (1.6%) factory workers and heavy equipment operators. Traditional service-related and “pink-” and “white-collar” occupations represent almost 52% of the Available Labor Pool, including 2,652 (14.4%) customer service/clerical workers, 2,509 (13.6%) social service workers and paraprofessionals, 1,290 (7.0%) professionals, and 1,935 (10.5%) managers and sales operatives.

Table 2: Occupation of Available Labor

	Number	Percent
General Labor	3,082	16.7
Farm/Ranch Labor	788	4.3
Factory Worker/HEO	287	1.6
Technician/Mechanic	717	3.9
Gov't Service/Other BC	502	2.7
Customer Service/Clerical	2,652	14.4
Social Service/Para-Prof.	2,509	13.6
Management/Sales	1,935	10.5
Executives/Professionals	1,290	7.0
Writer/Researcher/Other WC	1,075	5.8
Hmaker/Student/Unemp	1,935	10.5
Retired/Disabled	1,649	8.9
Total	18,420	100.0

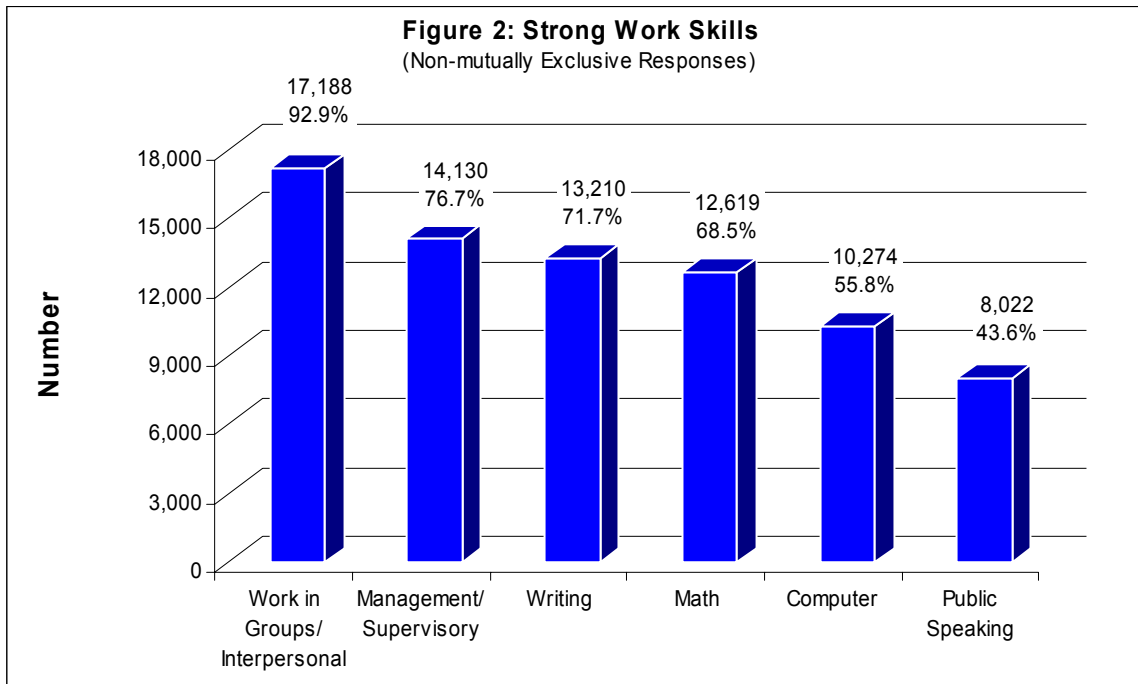
Zip codes of respondents were used to map the Available Labor Pool. Map 2 shows how each zip code in the basin compares to all other zip codes in terms of percent of total available workers for a job in the Ellis County Labor Basin. Each zip code is grouped into one of five categories specified in the legend. The zip codes containing the most available labor in the Ellis County Labor Basin are located in Ellis and Barton Counties. This is not surprising, as the zip code areas within these counties that include the cities of Hays and Great Bend contain most of the population in the labor basin. As such, Hays and Great Bend contains about 30% and 17% of the available labor, respectively. However, the remaining 53% of the available labor is spread throughout the rest of the basin. For example, between 3% and 5.99% of the Available Labor Pool reside in Trego, Ness, Graham, and Russell Counties combined.



Current Skills and Experience

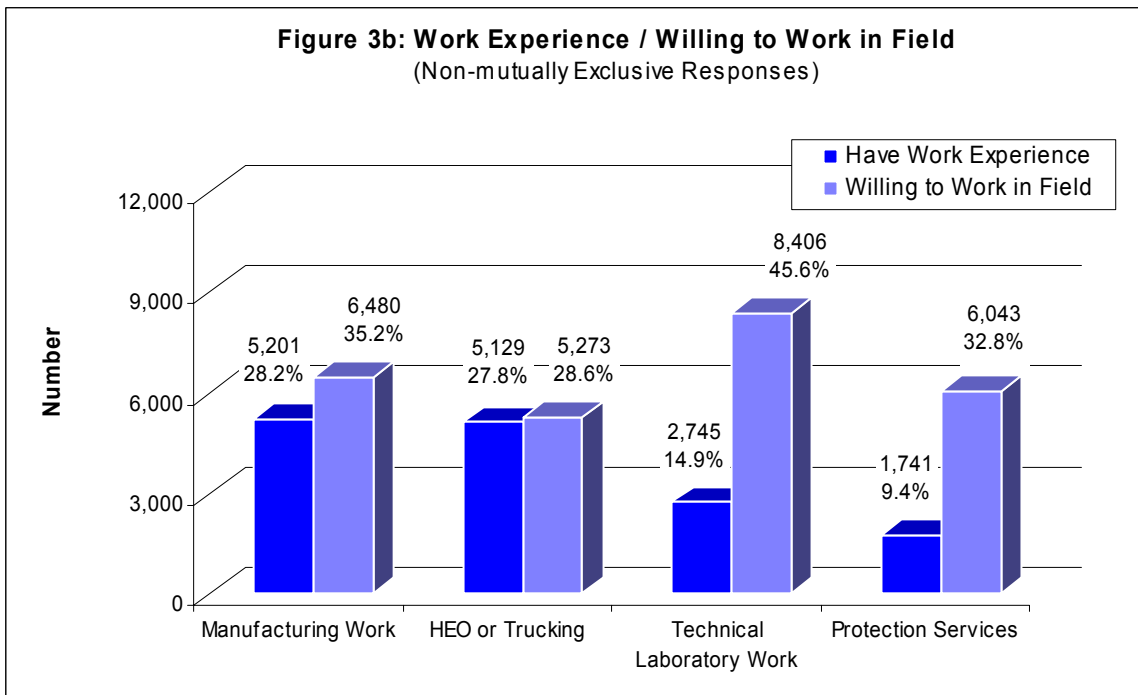
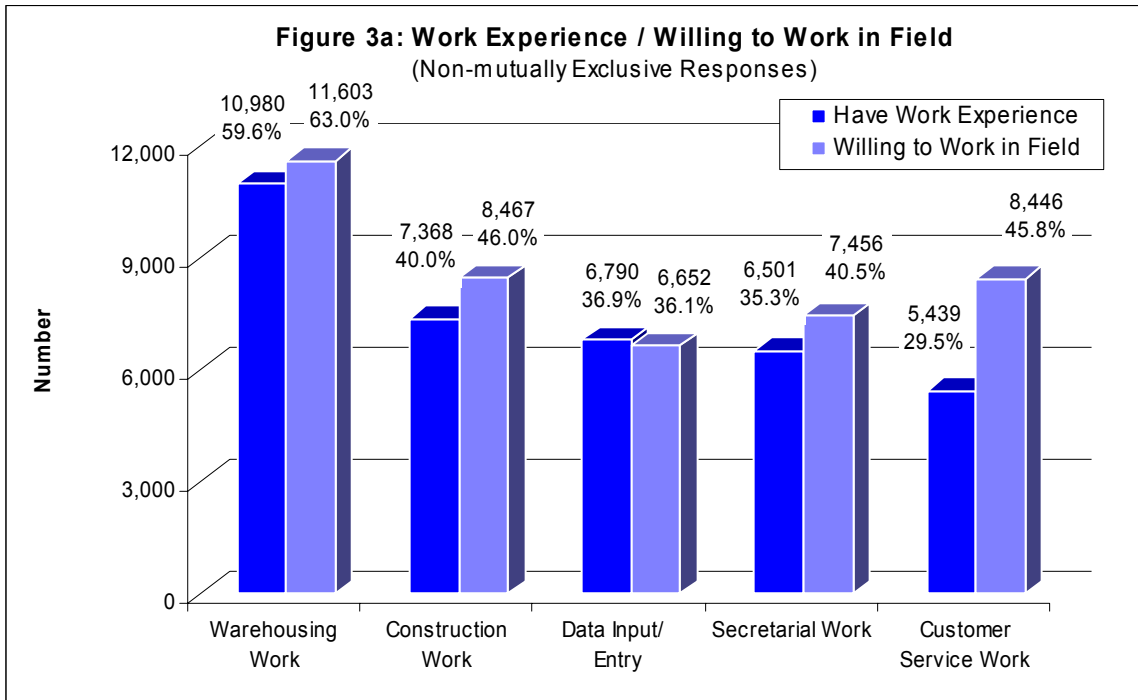
To gain perspective on the types of workers that are available for new and/or different employment in the Ellis County Labor Basin, survey respondents were asked a series of questions addressing skills, previous work experience, and their willingness to “take a job” in specific fields of employment.

Figure 2 shows that 17,188 (or 92.9%) members of the Available Labor Pool report having “strong work skills” when it comes to working in groups and interpersonal relations, while 14,130 (76.7%) members of the ALP report having “strong work skills” in the areas of management and supervision. A substantial number of Available Labor Pool members also report having “strong work skills” in writing, math, and computers: 13,210 (71.7%), 12,619 (68.5%), and 10,274 (55.8%), respectively. Of the skills measured, public speaking received the lowest ranking. Even so, 8,022 (43.6%) of the members of the ALP report “strong work skills” in this area.



In addition to these six skill areas present in Figure 2, survey respondents were asked if they had/have education, training, or experience in nine particular fields of employment. Respondents were then asked if they would take a job in that field regardless of their prior experience. Figures 3a and 3b (on the next page) show the results of these questions.

Figure 3a indicates that 10,980 (59.6%) report having education, training, or experience in warehousing work, and that 11,603 (63.0%) would consider employment in that field. Between about 30% and 40% of the Available Labor Pool members also have education, training, or experience in customer service work (29.5%), secretarial work (35.3%), data entry (36.9%), and construction work (40.0%). Importantly, a higher percentage of the ALP would *consider* employment in construction (46.0%), secretarial work (40.5%), and customer service (45.8%).



Two areas that show acute difference between the numbers of individuals with experience in that field and those that would “take a job” in that field are technical laboratory work and protection services. Only 15% of the members of the ALP, for example, have experience in technical laboratory, while 46% would consider employment in that area. This survey did not assess whether these respondents have the training needed for such employment, however. In addition, only about 9% of the ALP indicate education, training, or experience in protection services; while 33% indicate the desire to work in that field.

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 a new employment, but are unwilling to switch from their current job to a different type of position. If there are a large percentage of those unwilling to change their jobs, it limits the type of employers who can enter the labor basin. This does not seem to be the case in the Ellis County Labor Basin, however. Figure 4 indicates that 15,885 members of the Available Labor Pool (or 86% working and non-working individuals) are willing to accept positions outside of their primary fields of employment (for example, low-skill blue collar employment to low-skill service sector employment).

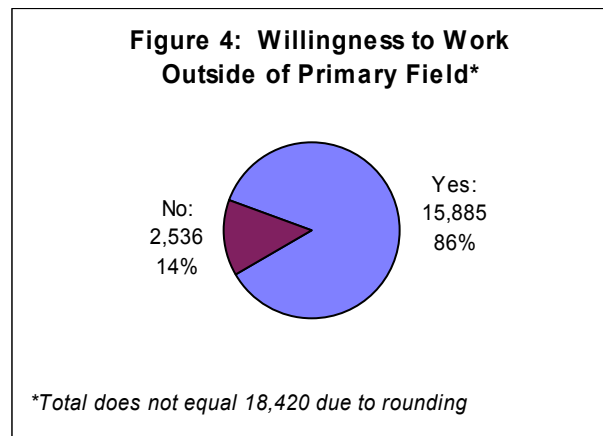


Table 3 and Figure 5 suggest that the Available Labor Pool in the Ellis County Labor Basin is open to commuting. More than a quarter (26.1%) of the members (or 4,802 individuals) of the Available Labor Pool will commute up to 45 minutes, one way, for an employment opportunity. Almost three-quarters 72% (or 13,260 individuals) will commute up to 30 minutes for employment, and almost 94% (or 17,274 individuals) will travel up to 15 minutes for employment.

Table 3: Time Available Labor Will Commute

	Number	Cumulative Percent
More than 60 Minutes	127	3.0
Up to 60 Minutes	3,799	20.6
Up to 55 Minutes	3,799	20.6
Up to 50 Minutes	3,870	21.0
Up to 45 Minutes	4,802	26.1
Up to 40 Minutes	5,232	28.4
Up to 35 Minutes	5,447	29.6
Up to 30 Minutes	13,260	72.0
Up to 25 Minutes	13,833	75.1
Up to 20 Minutes	15,625	84.8
Up to 15 Minutes	17,274	93.8
Up to 10 Minutes	18,062	98.1
Up to 5 Minutes	18,420	100.0

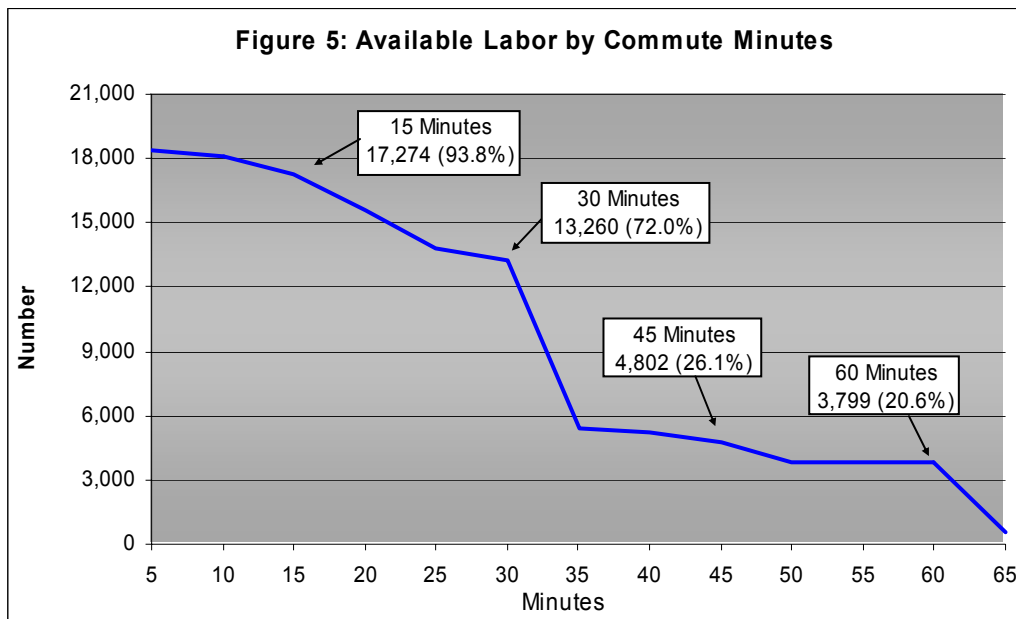
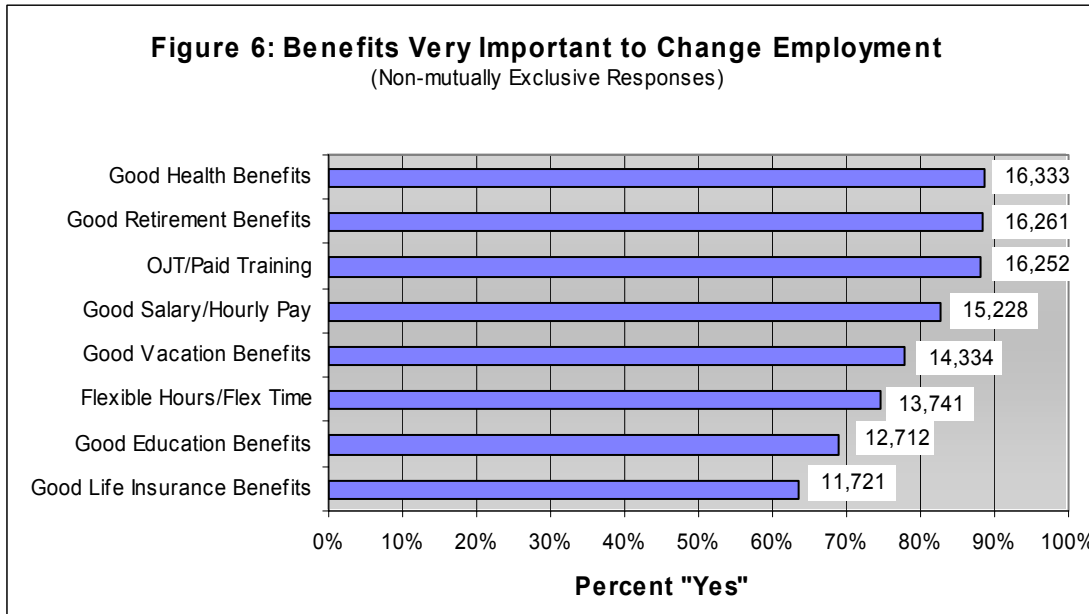
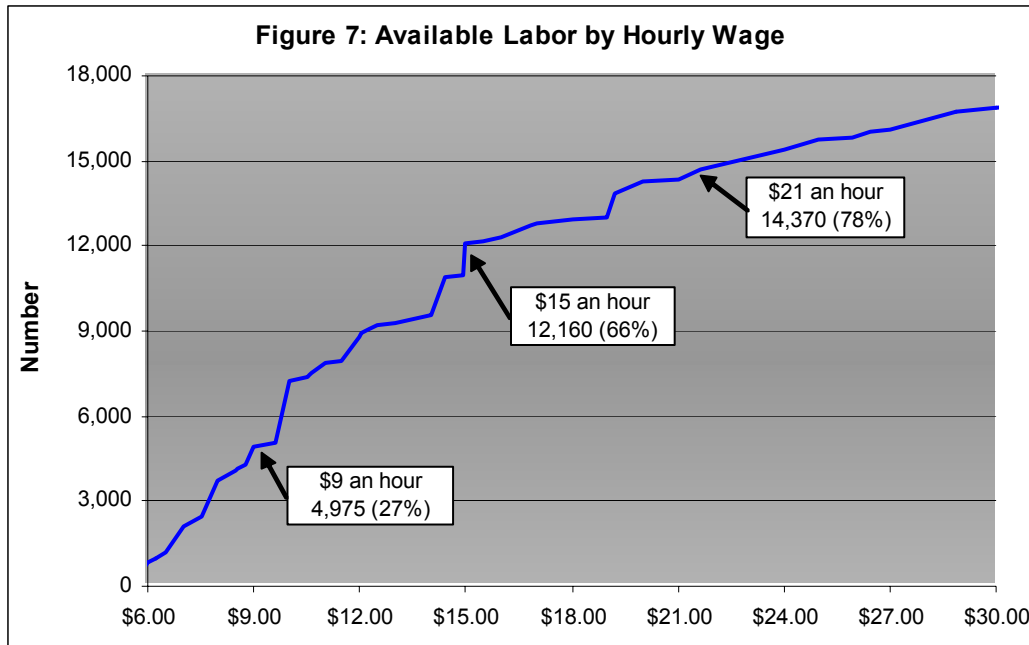


Figure 6 shows various benefits affecting the decisions of current workers to take a different job and the decisions of potential workers to take a new job. The most important benefits are good health benefits, good retirement benefits, on-the-job training, and a good salary (all receiving more than 80% support from survey respondents). Good vacation benefits, flexible hours, good education benefits, and good life insurance benefits also received support, but with values ranging between 60% and 80%.



It is not surprising that many respondents (83%) indicate that a good salary was an important benefit. It is interesting to note, however, that good health and retirement benefits, as well as training, received more support than salary. These figures suggest that employers might consider offering these benefits (or improve existing benefits) to attract new employees.

Figure 7 shows desired wages for members of the Available Labor Pool. It is estimated that 15,470 people (or about 84% of the available labor) are interested in a new job at \$24 an hour (or \$49,920 per year). Approximately 14,370 (or 78%) members of the labor pool are interested in new employment opportunity at \$21 an hour (\$43,680 per year), while 12,900 (70%) are interested at \$18 an hour (\$37,440 per year). In addition, about 12,160 people (66%) are interested in a new job at \$15 an hour (\$31,200 yearly), 8,840 (48%) are available at \$12 an hour (\$24,960 per year), and 4,975 (27%) are available at \$9 an hour (\$18,720 per year). Slightly more than 900 people (5%) are interested in a new job at \$6 an hour (\$12,480 per year).



The graph highlights various “wage plateaus,” that may be of interest to current and potential employers. While the graph clearly points out that the higher the wage, the larger the pool of available labor; the graph also suggests that an employer might expect to find a similar number of employees available at certain wage preference plateaus⁵. For example, about 4,975 members (27%) of the available labor are interested in a job at \$9.00 at hour. At \$9.50 an hour there are about 5,000 individuals (27.1%) available. So, while there certainly is an increase in the number of available workers at this higher wage rate, the increase is estimated to be only 25 individuals (less than 1%). Similarly, there are about 12,160 individuals (66%) available at \$15 wage but only about 180 more (less than 1%) available at \$15.50 an hour. Additional wage plateaus can be seen between \$10 and \$10.50 (an increase of 185 individuals), \$12 and \$12.50 (an increase of 360 individuals), and \$18 to \$19 wage levels (an increase of 180 individuals).

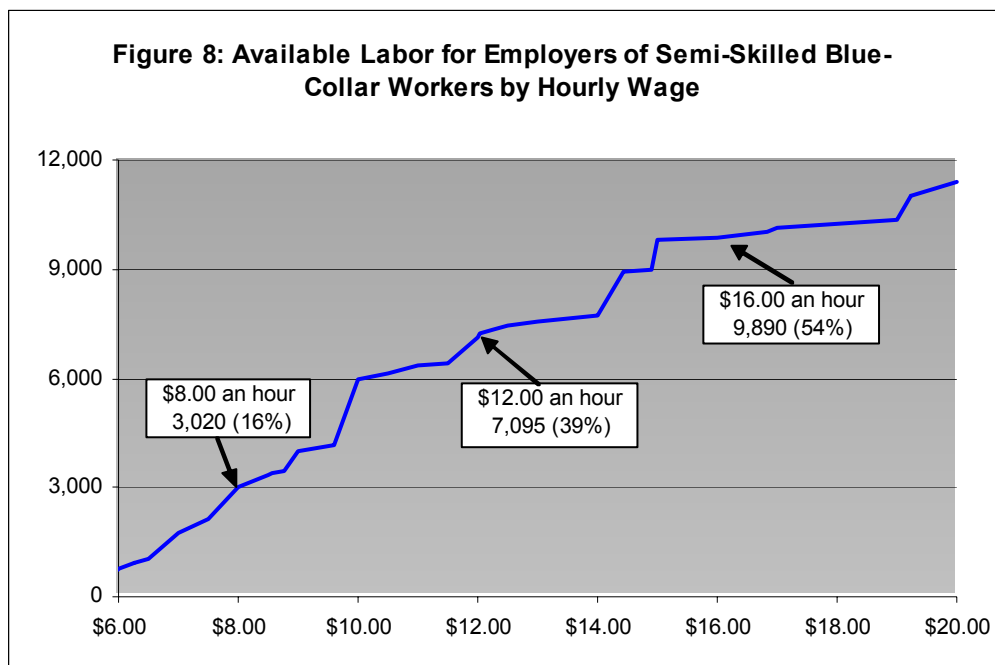
⁵ A wage preference plateau represents a situation in which an increase in wage results in an insignificant increase in available labor.

Blue-Collar, Pink-Collar, and White-Collar Sector Characteristics

To present an even more refined picture regarding the number of workers that would seriously consider a new employment opportunity, a number of factors are considered. These factors include commute time, desired wages, and willingness to change job fields. Specifically, the following analyses **exclude** those members of the Available Labor Pool who:

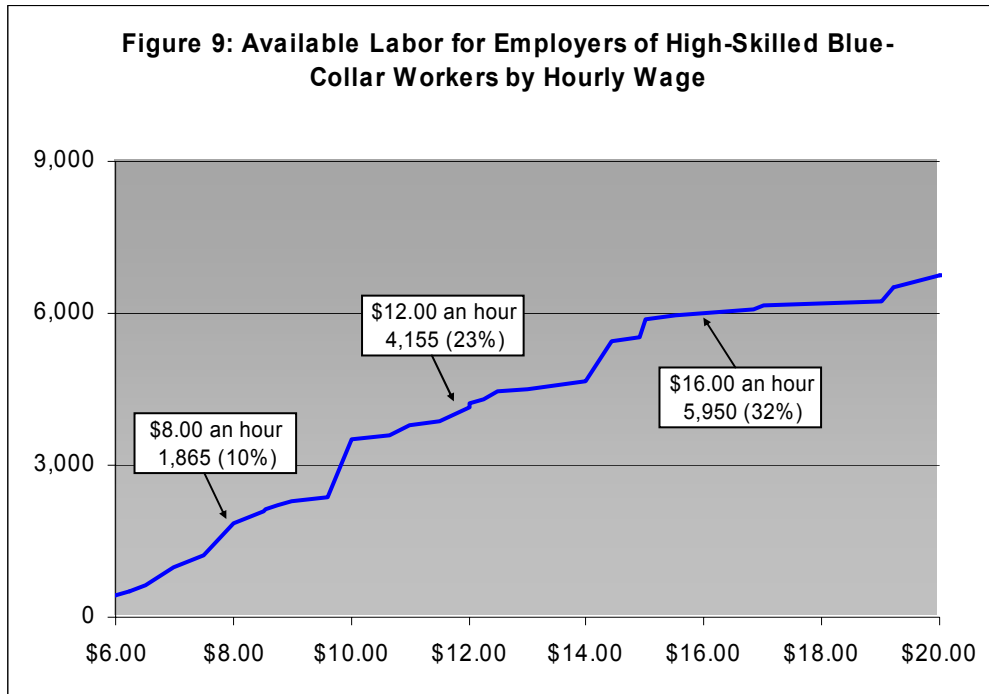
- Are unwilling to commute the necessary distance from his/her community to the center of the labor basin.
- Have wage expectations exceeding \$20.00 an hour (\$41,600 annually).
- Are unwilling to change their primary field of employment (for example: service sector pink-collar employment to semi-skilled blue-collar employment).

Given these exclusions, Figures 8 to 11 suggest the number of employees that employers of semi-skilled and skilled blue-collar workers, and semi-skilled (“pink-collar”) and skilled white-collar workers might find available at given wage levels. The available labor for an employer of semi-skilled blue-collar workers (see Figure 8⁶ below) offering \$16.00 an hour is 9,890 (or 54% of the entire ALP), while at \$14.00 an hour there about 7,700 workers (42%) available. At \$12.00 an hour the available labor is about 7,095 workers (39%), at \$10.00 an hour the available labor is almost 5,965 (32%), and at \$8.00 the available labor is almost 3,020 people (16%).



⁶ In addition to the exclusions listed above, certain professional occupations are excluded from the data presented in **Figures 8 and 10**. These occupations include Doctors, Lawyers, Engineers, Professors, Machinists, Electricians and others that are highly skilled and are unlikely to transfer into lower-skilled Blue-Collar (manual labor) and Pink-Collar (service and support) occupations.

Figure 9⁷ shows that for employers of highly skilled blue-collar workers, about 6,200 individuals (or 34% of the entire ALP) are available at a wage of \$18.00 per hour (or an annual salary of \$37,440). At \$16.00 per hour (\$33,280 annually) there are about 5,950 individuals (32%) available, and at \$14.00 per hour (\$29,120 per year) there are about 4,650 individuals (25%) available. At \$12.00 per hour (\$24,960 annually) there are about 4,155 available (23%), at \$10.00 per hour (\$20,800 annually) there are about 3,510 available (19%), and at \$8.00 per hour (\$16,640 annually) there are 1,865 (10%) available.



⁷ In addition to the exclusions listed previously, it is assumed that the two groups of highly skilled workers presented in **Figures 9 and 11** will **not** be willing/able to transfer from one group to the other (i.e., from highly skilled white-collar professions to highly skilled blue-collar profession, and vice versa). Furthermore, occupations such as general laborers, general maintenance workers, clerks, cashiers, waitresses, and customer service workers are excluded from the analysis presented in **Figures 9 and 11** because it is assumed that these workers will have neither the skills nor the training necessary to transfer to a highly skilled white-collar or blue-collar job.

Figure 10 shows the available labor for semi-skilled skilled service workers and highly skilled white-collar workers. The available labor for an employer of semi-skilled white-collar (often referred to as “Pink-Collar”) workers offering \$16.00 an hour is about 10,190 (or 55% of the entire ALP), while at \$14.00 an hour there is about 7,850 workers (43%). At \$12.00 an hour the available labor is about 7,250 workers (39%), at \$10.00 an hour the available labor is 6,115 (33%), and at \$8.00 the available labor is about 3,250 people (18%).

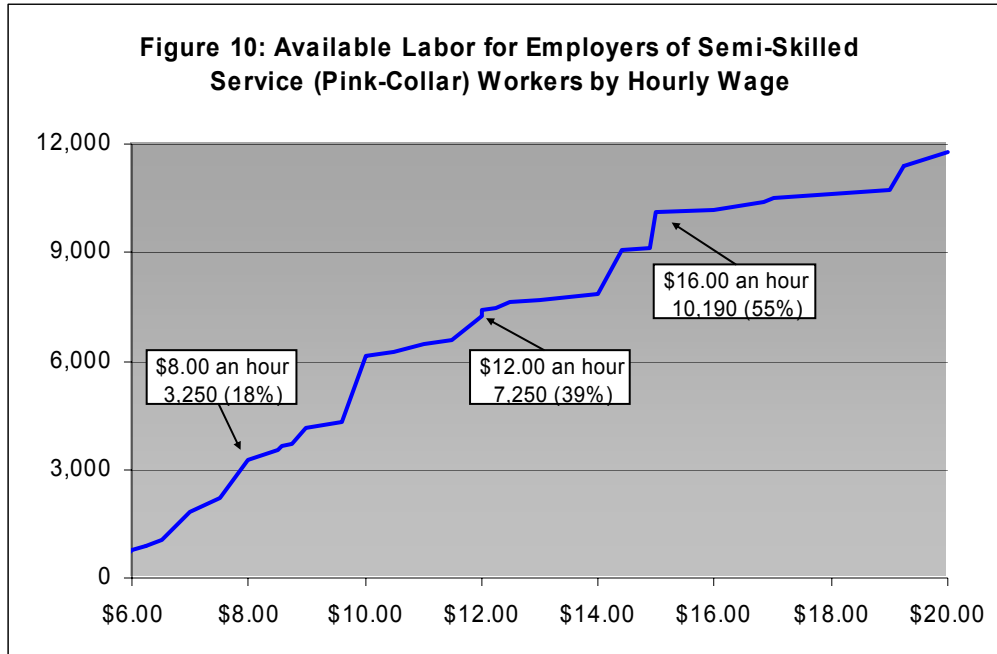
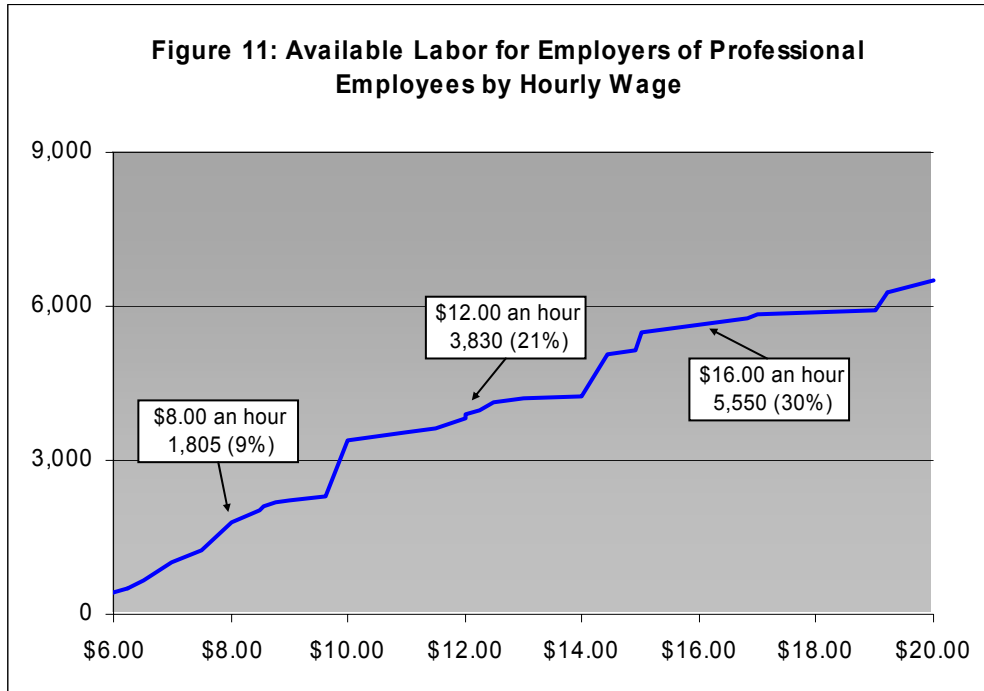


Figure 11 shows that an employer offering \$18.00 an hour (or \$37,440 per year) for highly skilled white-collar workers (or “Professional”), the available labor is about 5,900 individuals (or 32% of the entire ALP). At \$16.00 per hour (or \$33,280 per year) there are about 5,550 individuals (30%) available, and at \$14.00 per hour (or \$29,120 per year) there are about 4,260 individuals (23%) available. At \$12.00 per hour (\$24,960 annually) there are about 3,830 available (21%), at \$10.00 per hour (\$20,800 annually) there are about 3,395 available (18%), and at \$8.00 per hour (\$16,640 annually) there are 1,805 (9%) available.



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 Ellis County Labor Basin, **employed members of the ALP** (see Figure 12 below) 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, and/or 4) they were limited in the number of hours that they could work.

Of the 14,837 employed members of the ALP, about half answered “yes” to any of the questions presented above (shown in Figure 12), and consider themselves underutilized. Figure 13 shows that the underutilized workers represent 51% (or 7,567 individuals) of the employed members of the ALP.

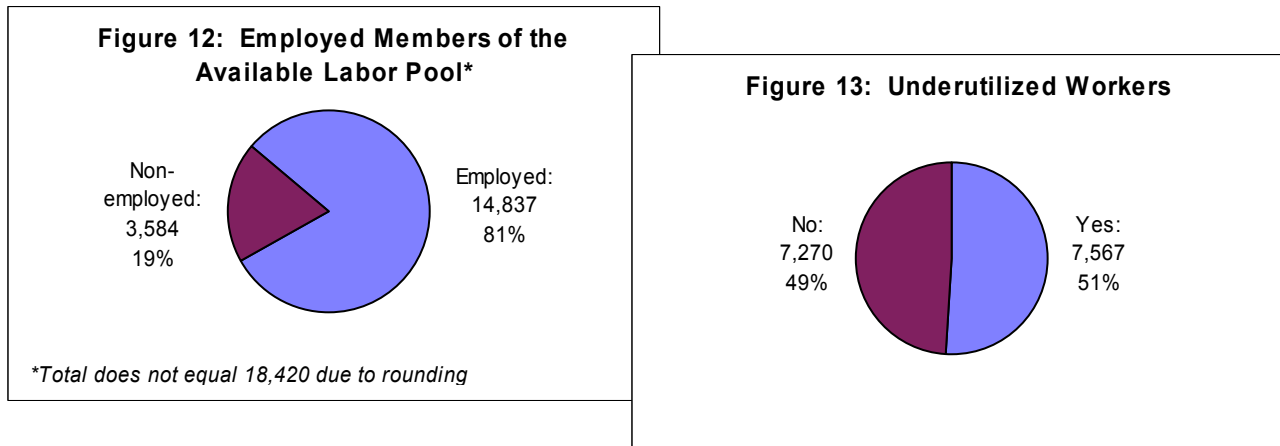


Figure 14 shows the percentages of the positive responses (i.e., “yes” answers) to the various measures of underutilization. About 43% (or 6,370 member) of this subset of the ALP consider themselves as possessing education levels exceeding those needed for their current jobs, while 26% (3,800) consider themselves underutilized because they had a previous job that provided more income. About 21% (3,040) have skills that are not being used on the job, and only 13% (2,030) suggest they are not able to work enough hours.

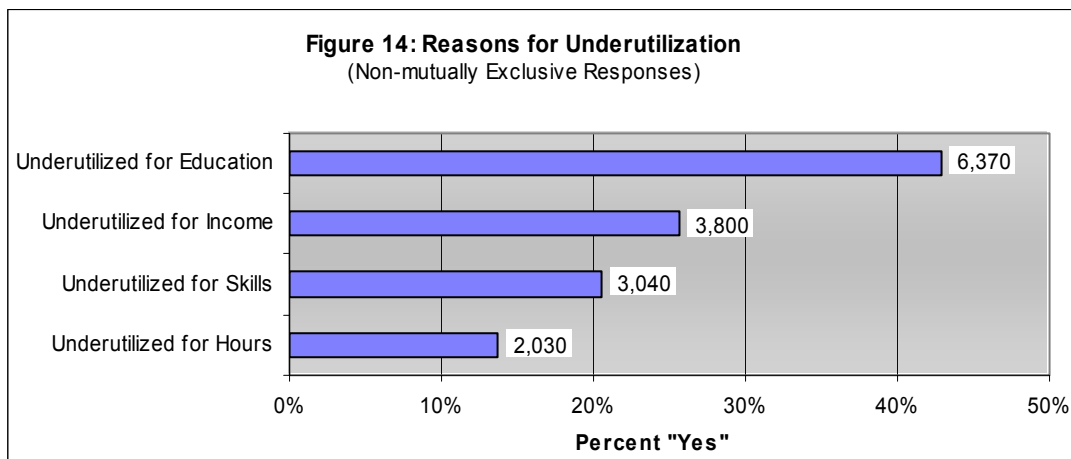


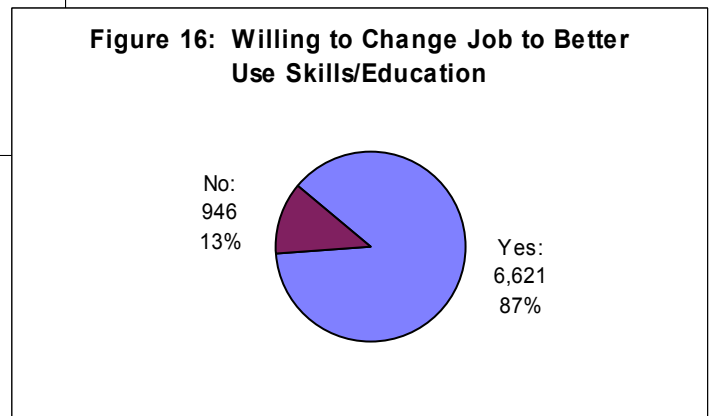
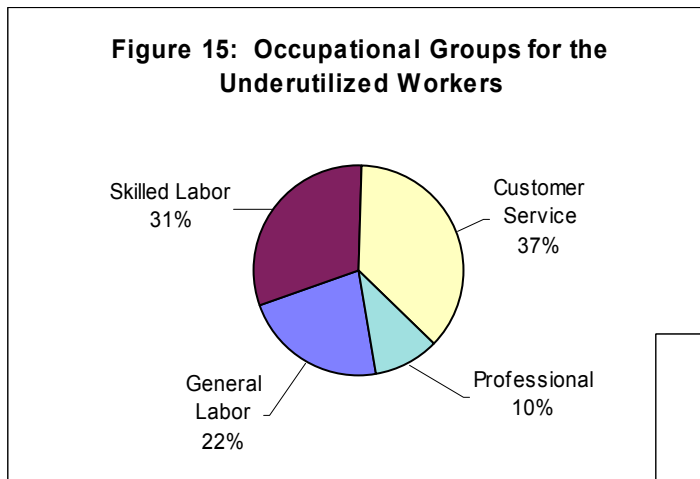
Table 4 and Figure 15 show some characteristics of the underutilized members of the Available Labor Pool. Table 4 indicates that the education level of the underutilized workers is high, with more than three-quarters (76%) having at least some college education and almost half (48.1%) having completed associates degrees.

Table 4: Highest Level of Education Achieved Among Underutilized

	Number	Percent	Cum. Percent
Doctoral Degree	117	1.6	1.6
Masters Degree	35	7.8	9.3
Bachelors Degree	1,349	17.8	27.1
Associates Degree	1,584	20.9	48.1
Some College	2,112	27.9	76.0
High School Diploma Only	1,408	18.6	94.6
Less HS Diploma	411	5.4	100.0
Total	7,567	100	

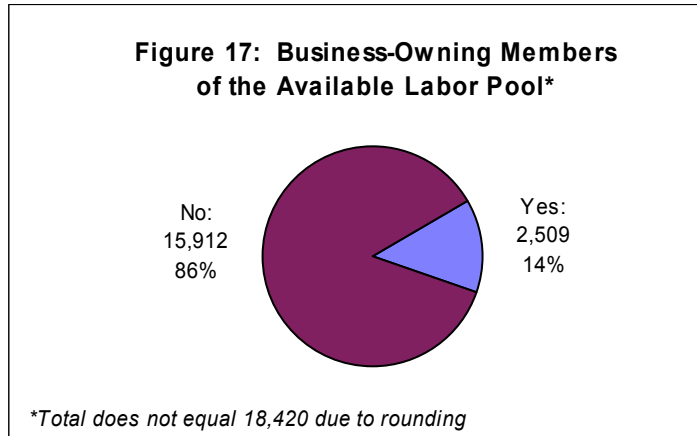
Figure 15 shows that 53% (4,010 individuals) of the underutilized workers are employed as general labor and skilled blue-collar workers, and about 47% (3,555) are in customer service-related occupations and professional positions.

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 16 suggests that a substantial portion — 87% or 6,621 individuals — of the underutilized workers is willing to change jobs to address underutilization.



Entrepreneurship Among Available Labor Pool Members

The desire for self employment may be another indicator of the types of workers available in the labor basin. Figure 17 shows that of the 18,420 members of the Available Labor Pool, 14% (or 2,509 individuals) own their own businesses.



The 15,912 **non-business owning members of the ALP** (or 86% of the entire ALP) were asked the question: "In the last few years have you seriously thought about starting your own business?" Figure 18 shows that more than a third (35% or 5,646) of the non-business-owning members of the ALP indicated that they had seriously considered this option for new employment. This subset of the ALP can be considered **potential entrepreneurs**.

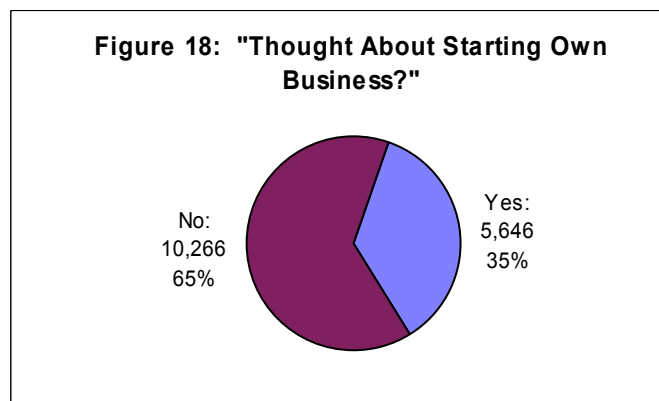


Table 5 and Figures 19 and 20 show some characteristics of the **potential entrepreneurs**. Table 5 indicates that the education level of the potential entrepreneurs is similar to the overall ALP, with nearly a quarter (24.7%) holding at least a bachelor's degree and almost all (98.7%) having high school diplomas.

Table 5: Highest Level of Education Achieved Among Potential Entrepreneurs

	Number	Percent	Cum. Percent
Doctoral Degree	73	1.3	1.3
Masters Degree	367	6.5	7.8
Bachelors Degree	953	16.9	24.7
Associates Degree	1,247	22.1	46.8
Some College	1,540	27.3	74.0
High School Diploma Only	1,393	24.7	98.7
Less HS Diploma	73	1.3	100.0
Total	5,646	100.0	

Figure 19 suggests that about 65% (3,665) of the potential entrepreneurs have determined the kind of business they would like to start. In addition, about 55% (3,120) suggest they know the "ins and outs" of starting their own businesses, while half (50% or 2,825) have the time to commit to the start-up their own businesses.

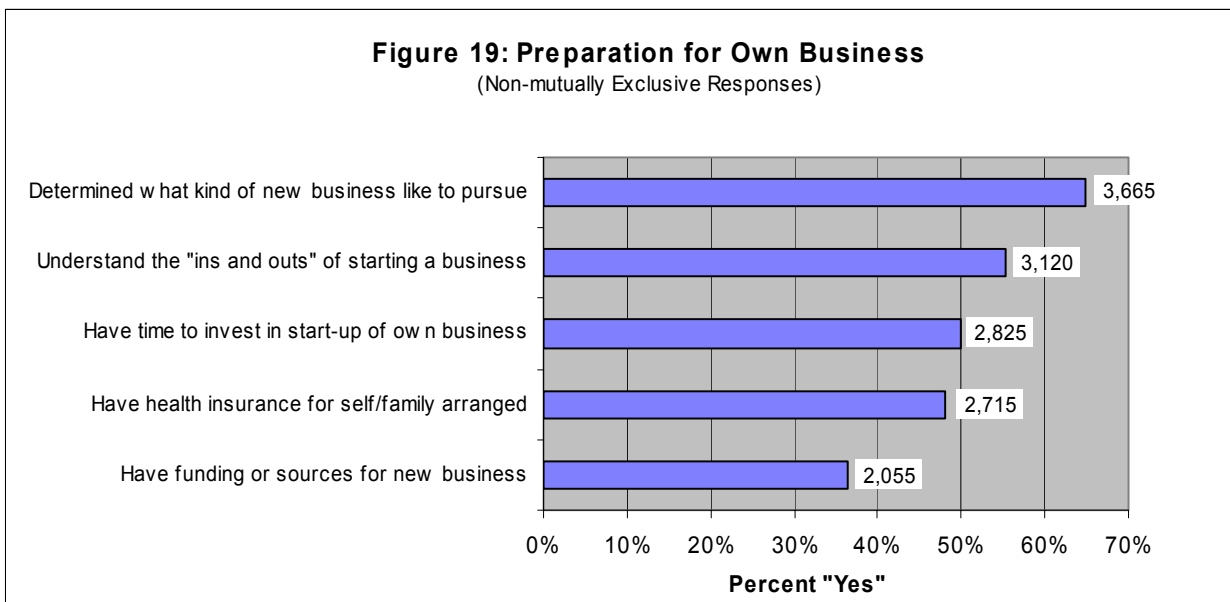
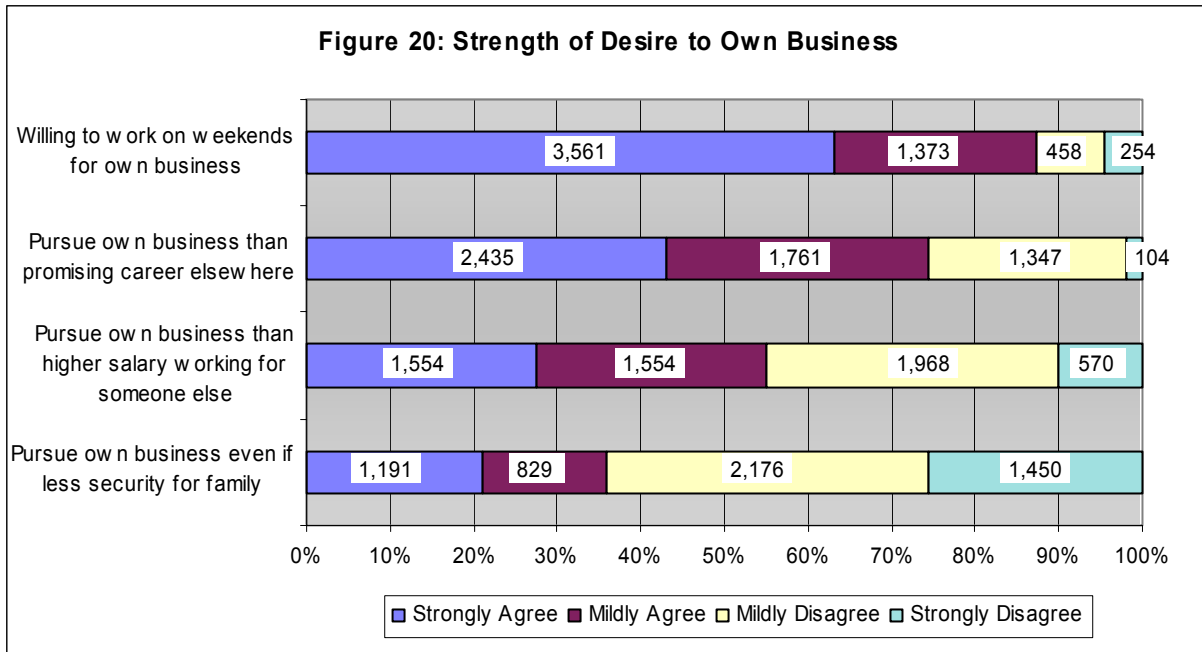


Figure 19 also suggests two potential stumbling blocks for new entrepreneurs. The first is the lack of adequate health care insurance if they pursue their own business, and the second is a **lack of** funding (or identified funding sources) for new business start-ups (52% or 2,935 and 63% or 3,555, respectively).

Figure 20 suggests the strength of desire to own a business. About 63% (3,561) of this subset of the ALP suggest that they “Strongly Agree” with a statement asking if they “are willing to work on weekends to make their business a success,” while about 24% (1,373) suggest that they “Mildly Agree” with this statement. About 43% (2,435) suggest that they “Strongly Agree” with a statement asking if they “would rather own their own business than pursue a promising career elsewhere,” while 31% (or 1,761) “Mildly Agree” with that statement. About 28% (1,554) indicate that they “Strongly Agree” with a statement regarding the pursuit of their own business rather than earning a higher salary working for someone else. An equal percent (28% or 1,554 individuals) suggest that they “Mildly Agree” with that same statement.

The statement “I am willing to have less security for my family in order to operate my own business” received least support. Responses might still suggest the propensity of some ALP members toward taking a risk as an entrepreneur as more respondents indicated that they “mildly disagreed” (39% or 2,176) with that statement than “strongly disagreed” (26% or 1,450).



Methodology

The findings from this study are based on a random digit telephone sample⁸ of adults living in Barton, Ellis, Graham, Ness, Osborne, Rooks, Rush, Russell, and Trego Counties, Kansas. Survey data was collected from October 26, 2004, to November 8, 2004, using a Computer Assisted Telephone Interviewing (CATI) system. A total of 958 households were successfully contacted during the phone survey, and in 694 of these households an adult agreed to do the interview. This represents a cooperation rate of 72.5%. As previously mentioned, the margin of error for the survey findings of the 694 respondents is +/- 3.7%. The margin of error for the Available Labor Pool is +/- 6.1%.

The study sponsors and Institute personnel agreed upon the survey items used, with the former identifying the study objectives and the latter developing items 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.

⁸ The telephone numbers for the sample 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) relative to the appropriate time zones. Initial refusals were re-attempted by specially trained "refusal converters," which aided in the cooperation rate.

Ellis County residents make up about a third (32.5%) of the entire population for the labor basin. The percentage of Ellis County working-age individuals in the labor basin is 35.9%. Ellis County survey respondents make up 30.2% of the entire survey sample. Survey completions from Ellis County ALP members-only is 35.4% .