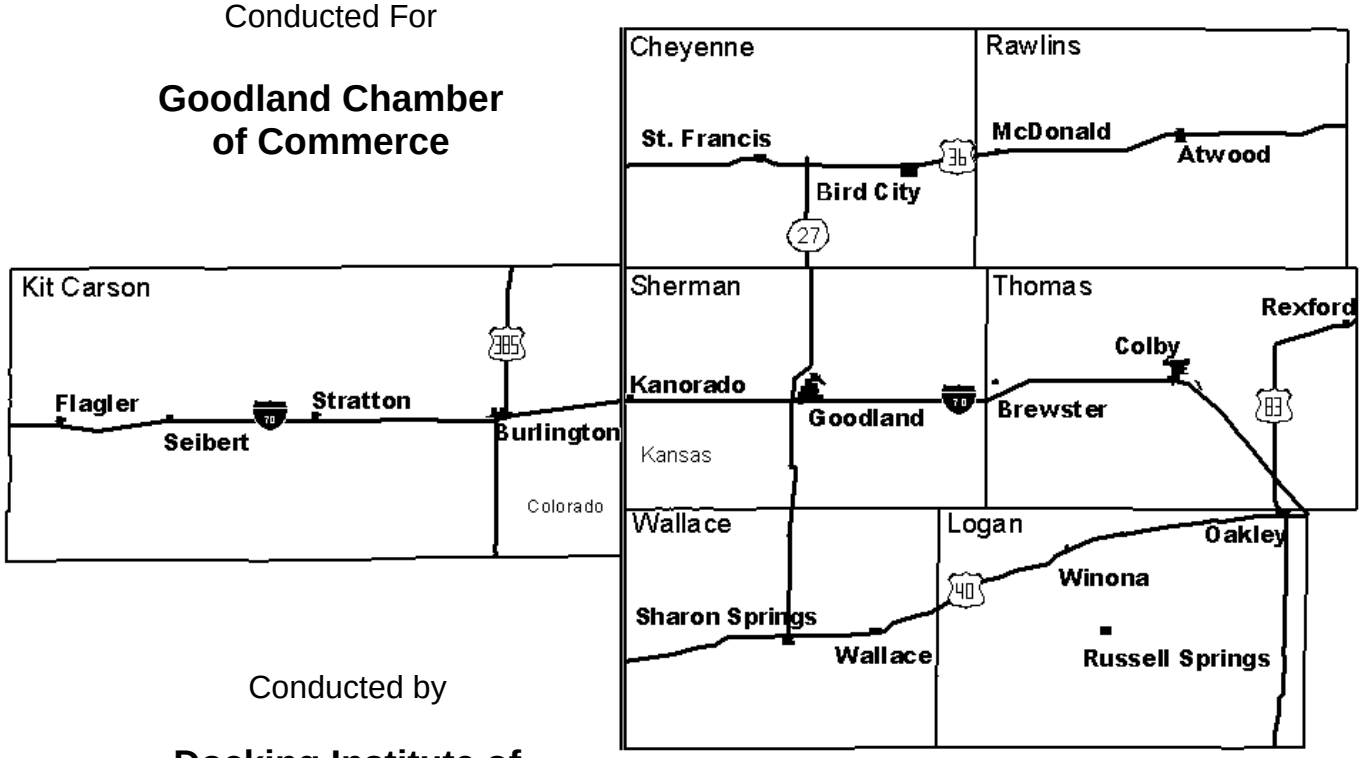
Goodland Labor Basin

Labor Availability Analysis

Cheyenne, Logan, Rawlins, Sherman, Thomas,
and **Wallace Counties -- Kansas**
Kit Carson County -- Colorado

Conducted For

Goodland Chamber of Commerce



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Goodland Labor Basin
Labor Availability Analysis
Executive Summary

The Goodland Labor Basin includes six counties in northwestern Kansas and one county in northeastern Colorado. 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:

- There is an Available Labor Pool in the Goodland Labor Basin of 7,978. It is estimated that 463 unemployed and 1,186 employed workers are seeking new employment, while 6,328 would consider changing employment for the right opportunities.

- More than two-thirds (68.1%) of the Available Labor Pool has at least some college education, while almost all (95.1%) have at least a high school diploma.

- Almost all of the members (7,478 or 93.7%) of the Available Labor Pool will commute 15 minutes or less, one way, for an employment opportunity, and about 5,232 (or about 65.6% of the available labor) will travel 30 minutes or less for employment.

- Almost 4,439 members (or 55.6%) of the Available Labor Pool are interested in a new job if offered $14.00 an hour. About 3,943 members (49.4%) of the available labor are interested in a new opportunity at $12.00 an hour, and about 3,084 members (38.6%) are interested in new employment at $10.00 an hour.

- When limiting the Available Labor Pool to those willing to commute the distance to Goodland, the available labor for a blue-collar employer offering $14.00 an hour is about 1,219 workers. At $12.00 an hour the available labor is 1,068 workers, at $10.00 an hour the available labor is slightly more than 760, and at $8.00 an hour there are about 250 workers available.

- When limiting the Available Labor Pool to those willing to commute the distance to Goodland, a non-professional service sector employer offering $14.00 can expect to find about 1,264 workers available. At $12.00 there are about 1,090 workers available, at $10.00 an hour there are about 785 workers available, and at $8.00 an hour there are about 260 workers available.

- Almost a third, (or about 2,853 workers) of the Available Labor Pool, consider themselves underutilized. Of these workers, almost 96% have high school diplomas and more than two-thirds (67.8%) have some college experience.

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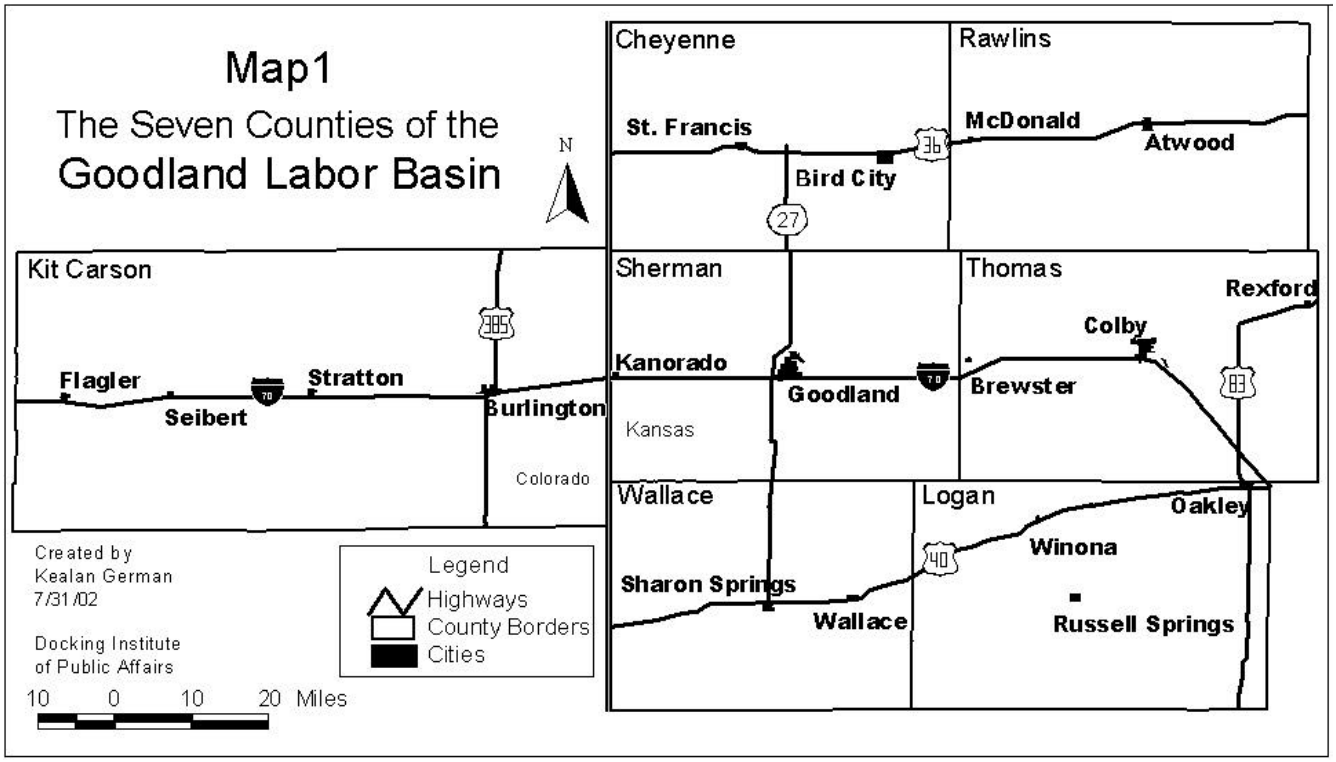
The Goodland Labor Basin includes six counties in northwestern Kansas and one county in northeastern Colorado. The criterion used to include a county in this labor basin is whether it has a significant border adjacent to Sherman County, in which Goodland is located. The Goodland Labor Basin has a total population of approximately 33,116, and a civilian labor force of 17,168. There is an unemployment rate of 2.24%, but there is an ample supply of available labor to support a major new employer. The Docking Institute's independent analysis of this labor basin shows that, of the civilian labor force, there are 1,649 workers and potential workers (9.6%) who are seeking new employment and 6,328 (36.8%) workers who would consider new 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 "all civilians 16 years of age and over classified as employed or unemployed," with unemployed civilians defined as civilians available for work and who had "made specific efforts to find employment" in the previous four weeks. The CLF for the Goodland Labor Basin is workers.

While a review of CLF statistics represents the starting point for understanding the labor force in and around Goodland, Kansas, 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/better employment opportunities. Relying solely upon CLF-type statistics can lead communities to be stereotyped as providing only certain types of workers to potential employers. For example, a labor basin might be classified as able to provide blue-collar employment only, while, in reality, the quantity and quality of workers might be sufficient to support the needs of non-professional service sector/information-based employer. In sum, aggregate CLF-type data simply cannot reveal detailed aspects of a labor pool that might be available for new employment opportunities.

Available Labor Pool

An alternative to the CLF is the "Available Labor Pool[1]." The Available Labor Pool is composed of workers categorized as either 1) currently employed (full- or part-time) *and* seeking other full-time employment, 2) currently retired and/or unemployed in any manner *and* seeking full-time 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 CLF[2]. Secondly, the number of potential workers is then restricted to those workers who indicate they 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 Goodland Labor Basin is 7,978 workers.

The Goodland Labor Basin's Available Labor Pool

This section assesses the characteristics of the Available Labor Pool in the Goodland 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 types of considerations (pay, benefits, commuting distance) shape their decision-making? and 3) What is the quality of those who would seriously consider a new employment opportunity?

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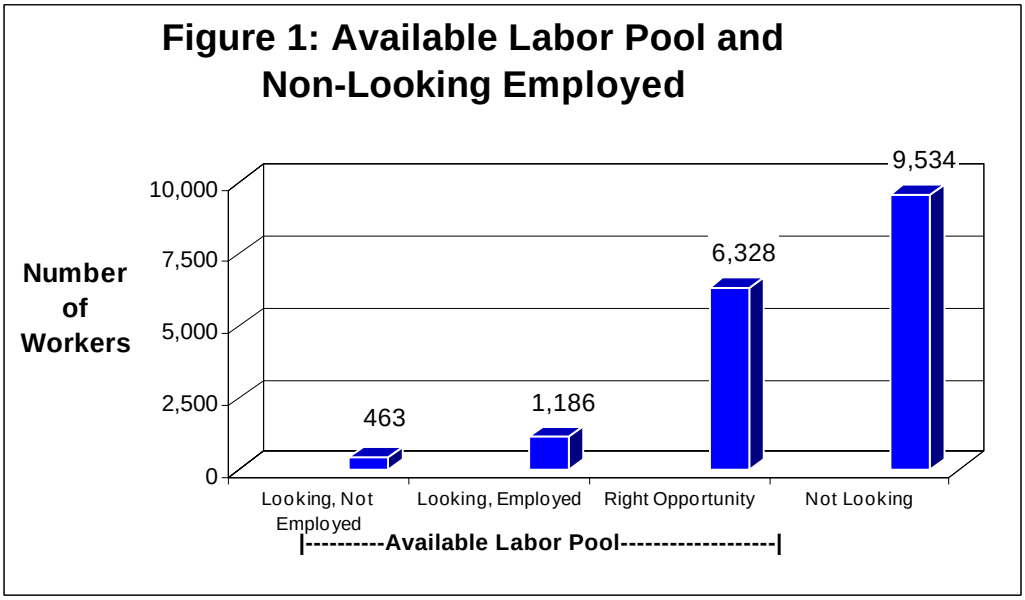
[1] The Available Labor Pool includes potential workers excluded from the CLF (such as full-time students willing to take a job, homemakers who have not yet sought employment, military personnel who may be leaving military employment in the near future, and retired individuals who may be willing and 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 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 whom are 18 to 65 years old.

The percent of the study area population in the Available Labor Pool is derived from a random digit telephone survey of 653 employed, unemployed, and retired adults living in the Goodland Labor Basin. When all 653 respondents are included in the analysis, the survey findings have a margin of error of +/- 3.8%. The margin of error for subgroups is higher. Most of these analyses are based on a subgroup of 205 respondents who are members of the Available Labor Pool (see definition above). For these 205 respondents, the survey has a margin of error of +/- 6.8%. Please see the Methods section of this report for more details about the survey methodology used in this study.

Figure 1 shows that there is an Available Labor Pool in the Goodland Labor Basin of 7,978. It is estimated that 463 unemployed[3] and 1,186 employed workers are seeking new employment, while 6,328 would consider changing employment for the right opportunities.



[3] "Unemployed" refers not only to official unemployed members of the civilian labor force. "Unemployed" also includes any non-working full-time students, homemakers, and retirees. Forty-four homemakers/retired from Table 1 (next page) are also part-time workers and are included in the "Right Opportunity" category in Figure 1, rather than in the "Looking, Not Employed" category.

Table 1 shows the various occupations of these 7,978 employees and potential employees. Traditional blue-collar jobs represent 36.9% of the Available Labor Pool. Included in this blue-collar category are more than 1,552 general laborers (19.5% of the total Available Labor Pool). Traditional service-related occupations represent 35.6% of the Available Labor Pool, while professional occupations comprise another 21.6%. Finally, full-time students, the unemployed, homemakers and retired represent 6.3% of the Available Labor Pool. (Percentages exceed 100% due to rounding.)

Table 1: Occupation

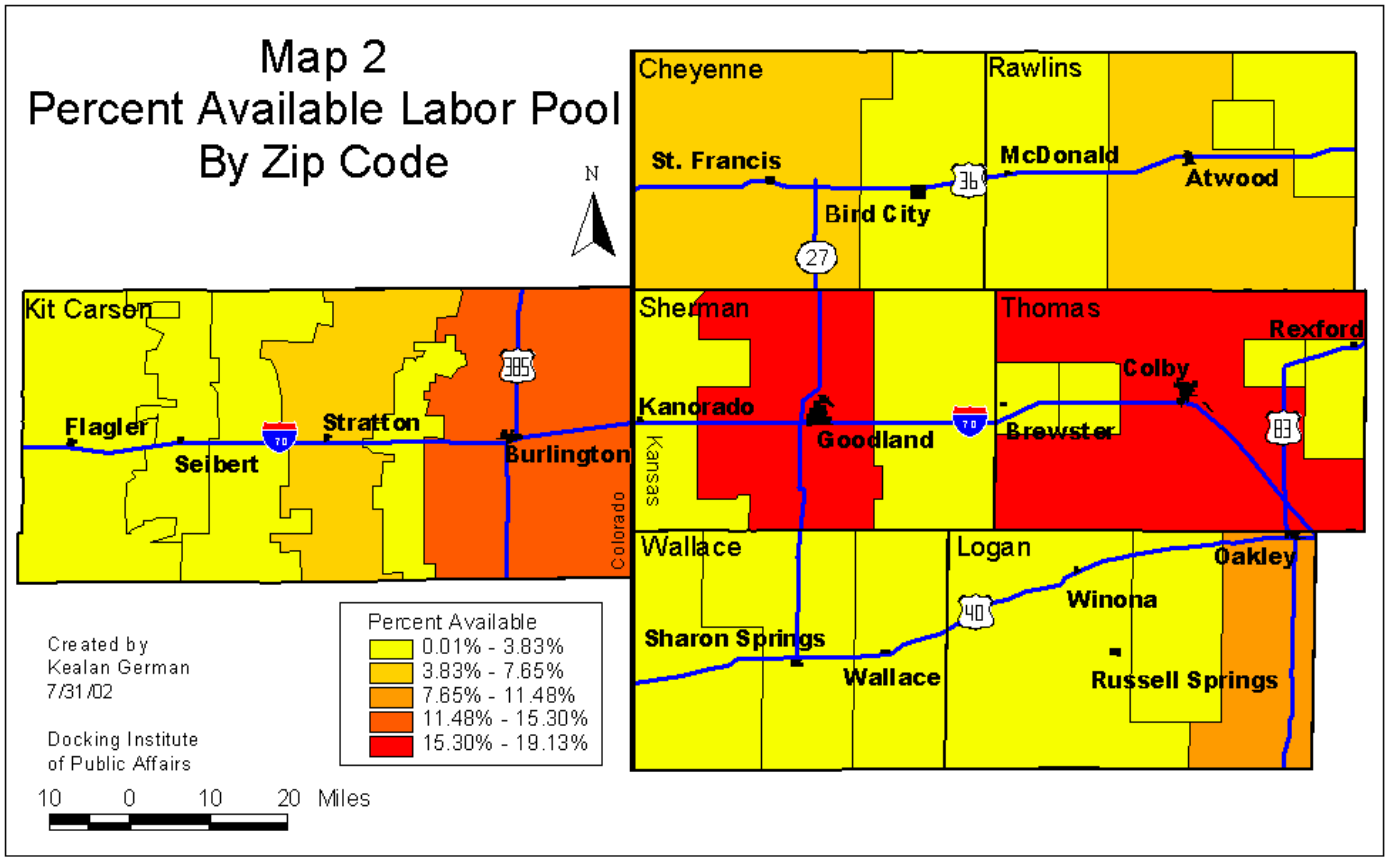
	Number	Percent
Mechanic, Welder	208	2.6
Farmer, Agricultural Worker	936	11.7
Factory Worker, Meat Packer	251	3.1
General Labor	1,552	19.5
Governmental, Business, and other Professional	1,038	13.0
Clerical	688	8.6
Educator or Professor	685	8.6
Other White Collar	559	7.0
Social Service (e.g.health,babysitting)	450	5.6
Sales,Hotel,Restaurant,Food Service	1,148	14.4
Homemaker	86	1.1
Unemployed	378	4.7
Retired	43	0.5
Total	7,978	100.0

Table 2 shows the gender, age statistics, and educational levels of these 7,978 workers and potential workers. Approximately 57% are men, and the average age is 43 years. The educational levels of the Available Labor Pool are high. More than two-thirds 68.1% of the available workers have at least some college education, while most (95.1%) workers have at least a high school diploma.

Table 2: Age, Gender, and Education Level of Available Labor Pool

Age			
	Age in 2002		
Average	43		
Median	45		
Gender			
	Number	Percent	
Female	3,466	43.4	
Male	4,512	56.6	
Total	7,978	100.0	
Highest Level of Education Achieved			
	Number	Percent	Cum. Percent
Doctoral Degree	0	0.0	0.0
Masters Degree	600	7.5	7.5
Bachelors Degree	1,435	18.0	25.5
Associates Degree	1,296	16.2	41.7
Some College	2,104	26.4	68.1
High School Diploma Only	2,154	27.0	95.1
Less HS Diploma	389	4.9	100.0
Total	7,978	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 Goodland Labor Basin. Each zip code is grouped into one of five categories specified in the key. The zip codes with the highest levels of available labor with the Goodland Labor Basin are located around Goodland and Colby, Kansas, and Burlington, Colorado.



An important consideration for many employers 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 job descriptions, it limits the type of employers who can enter the labor basin. However, this is not the case in the Goodland Labor Basin. Table 3 indicates that 89% of the Available Labor Pool, or about 7,135 workers, are willing to accept positions outside of their primary fields of employment (for example, blue-collar employment to non-professional service sector employment).

Table 3: Willing to Take Job Outside of Primary Field

	Number	Percent
Yes	7,135	89.4
No	843	10.6
Total	7,978	100.0

Figure 2 and Table 4 (next page) indicate that the Available Labor Pool in the Goodland Labor Basin is open to commuting. Almost 94% of the workers in the Available Labor Pool will commute 15 minutes or less, one way, for an employment opportunity, and about two-thirds 65.6% (or about 5,232 workers) will commute 30 minutes or less for employment. About 1,808 workers (more than 22% of the available labor) are willing to travel for 45 minutes for employment.

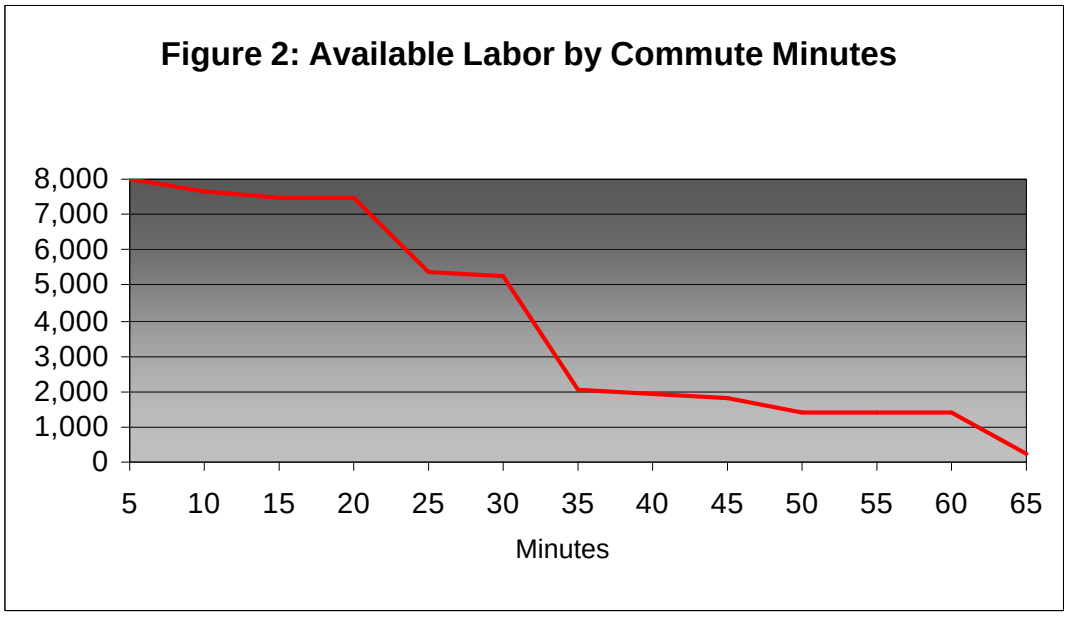


Table 4: Time Available Labor Will Commute

	Number	Cumulative Percent
More than 60 Minutes	208	2.6
60 Minutes or Less	1,380	17.3
55 Minutes or Less	1,380	17.3
50 Minutes or Less	1,380	17.3
45 Minutes or Less	1,808	22.7
40 Minutes or Less	1,923	24.1
35 Minutes or Less	2,035	25.5
30 Minutes or Less	5,232	65.6
25 Minutes or Less	5,344	67.0
20 Minutes or Less	6,842	85.8
15 Minutes or Less	7,478	93.7
10 Minutes or Less	7,630	95.6
5 Minutes or Less	7,978	100.0

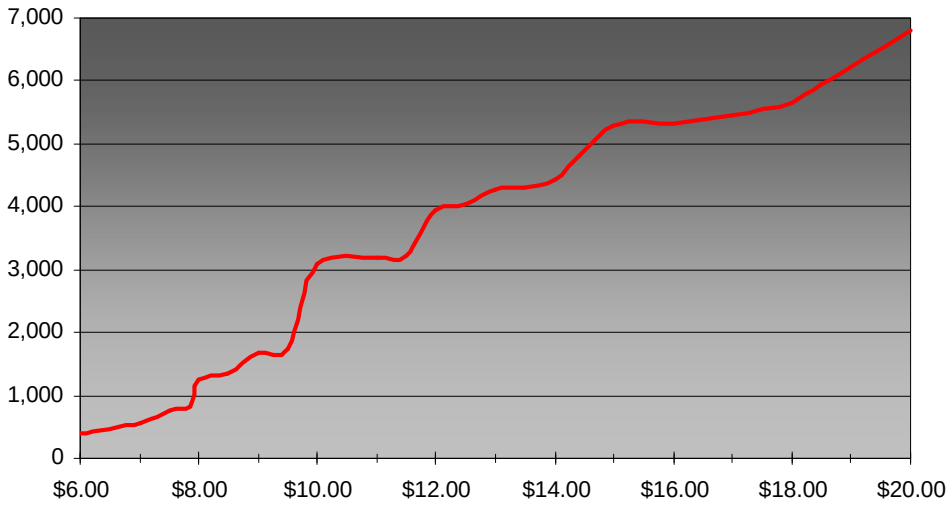
Table 5 shows that the most important benefit affecting workers' decisions to leave their present job is higher pay (97.1%), followed by improved retirement benefits (82.6%), more flexible work hours (65.1%), and better health benefits (61.9%). More than half (54.5%) suggests educational opportunities are very important considerations for a new job, and almost half (46.6%) desire a different community to work in. This is followed by about a fifth of the respondents who desire a job closer to home, and 15% that desire on-site childcare.

Table 5: Benefit Very Important In Decision to Change Employment

	Percent Responding "Yes"
Salary	97.1
Retirement	82.6
Flexible Hours	65.1
Health Benefits	61.9
Educational Opportunities	54.5
Different Community	46.6
Closer to Home	20.9
On-Site Childcare	15.2

Figure 3 shows the wage demands of the Available Labor Pool. About 4,439 members (or about 56%) of the Available Labor Pool are interested in a new job if offered $14.00 an hour. About 3,943 members (or about half at 49%) of the available labor are interested in a new opportunity at $12.00 an hour, and about 3,084 members (39%) are interested in new employment at $10.00 an hour. About 1,246 people (or almost 16% of the Available Labor Pool) indicate interest in a new employment opportunity with a wage of $8.00 an hour.

Figure 3: Available Labor by Hourly Wage



Blue-Collar and Pink-Collar Sector Scenarios

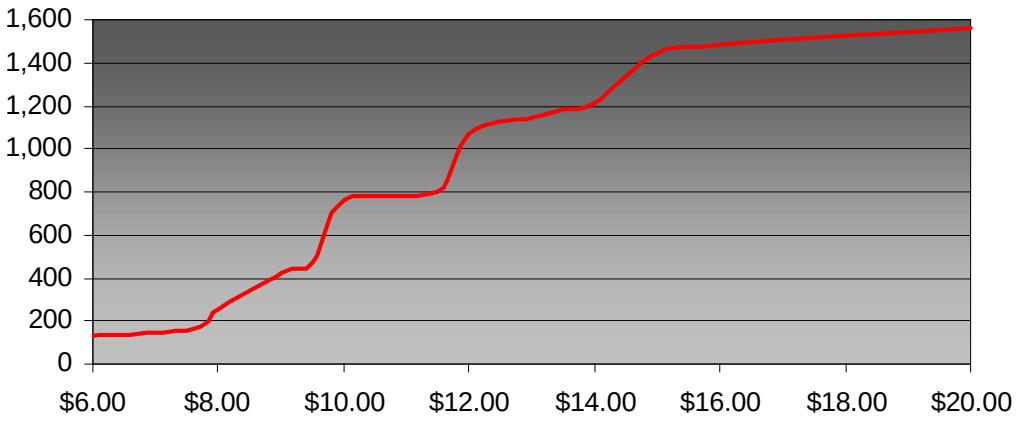
To present an even more refined picture regarding the number of workers that would seriously consider a new employment opportunity, a number of factors are considered. These factors include commute time, desired wages, and willingness to change job fields. Specifically, the following analyses *excludes*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

1) Are unwilling to commute the necessary time from his/her community to the center of the labor basin.
2) Have wage expectations exceeding $20.00 an hour.
3) Are unwilling to change their primary field of employment (for example: non-professional service sector to blue-collar).

Given these exclusions[4], Figures 4 and 5 (next page) suggest the number of employees that employers of unskilled and low-skilled blue-collar workers, and customer service and social service workers, might find available at given wage levels.

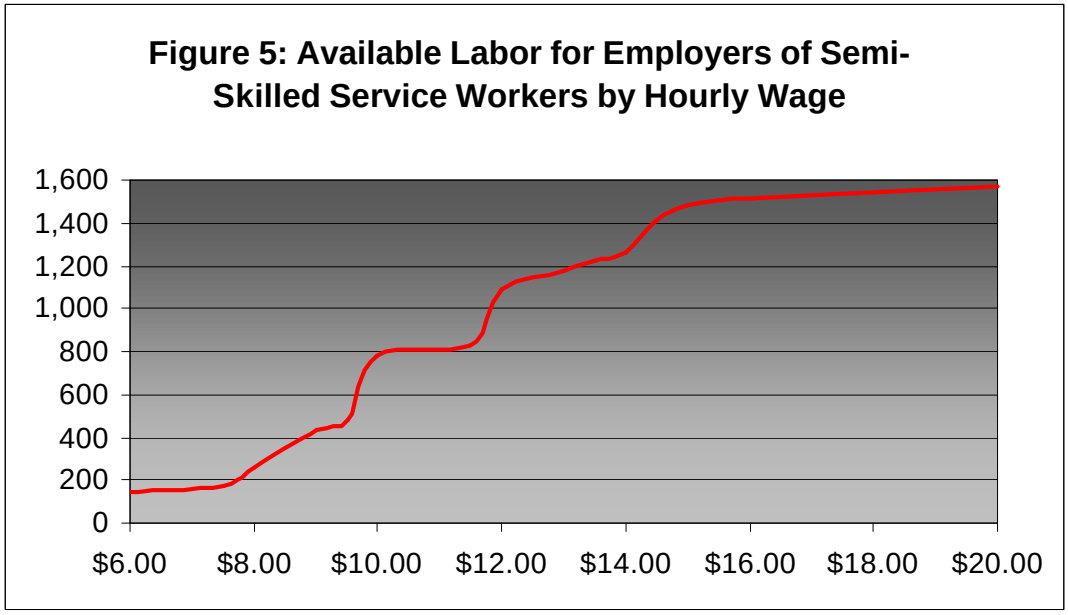
The available labor for an unskilled and low-skilled blue-collar employer, for example, offering $14.00 an hour is almost 1,219 workers. At $12.00 an hour the available labor is 1,068 workers, at $10.00 an hour the available labor is slightly more than 760, and at $8.00 an hour there are about 250 workers available.

Figure 4: Available Labor for Employers of Semi-Skilled Blue Collar Workers by Hourly Wage



[4] In addition, certain professional occupations and highly skilled blue-collar jobs are excluded from the data presented in ***this*** section of the report. These occupations include Doctors, Lawyers, Engineers, Professors, Machinists, Electricians and others that are highly skilled but are unlikely to transfer into lower-skilled Blue-Collar (manual labor) and Pink-Collar (service and support) occupations.

For a service sector employer offering $14.00 an hour, the available labor is almost 1,264. At $12.00 there are almost 1,090 available workers, at $10.00 an hour there are about 785 available workers, and at $8.00 an hour there are 260 available workers.



Underutilization Among the Available Labor Pool

Underutilization — individuals possessing skills and/or training that exceeds the responsibilities of their current job — is a significant issue in many communities. To assess the level of underutilization, respondents were asked (through the use of a detailed survey question) if their skills, education, or talents are underutilized in their current job. Figure 6 shows that slightly more that a third (35.7%), or 2,853 workers, in the ***entire*** Available Labor Pool, consider themselves underutilized.

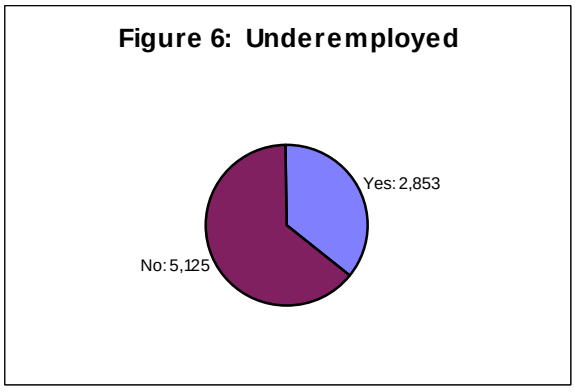


Table 6 shows the education levels of the 2,853 underutilized workers in the Available Labor Pool, with almost 68% having at least some college education. Almost all (95.6%) have a high school diploma.

Table 6: Highest Level of Education Achieved Among the Underutilized

	Number	Percent	Cum. Percent
Doctoral Degree	0	0.0	0.0
Masters Degree	250	8.8	8.8
Bachelors Degree	657	23.0	31.8
Associates Degree	342	12.0	43.8
Some College	685	24.0	67.8
High School Diploma Only	801	28.1	95.9
Less HS Diploma	117	4.1	100.0
Total	2,853	100	

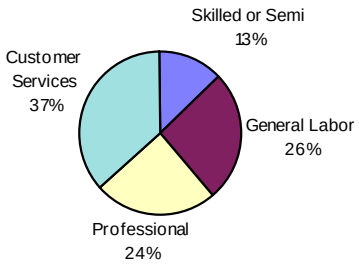
Table 7 shows the education levels of the members of the Available Labor Pool that do ***not*** consider themselves underutilized. Of the 5,125 non-underutilized workers, 68.3% have at least some college education, and 94.7% have at least a high school diploma.

Table 7: Highest Level of Education Achieved Among the Non-underutilized

	Number	Percent	Cum. Percent
Doctoral Degree	0	0.0	0.0
Masters Degree	349	6.8	6.8
Bachelors Degree	778	15.2	22.0
Associates Degree	953	18.6	40.6
Some College	1,419	27.7	68.3
High School Diploma Only	1,353	26.4	94.7
Less HS Diploma	272	5.3	100.0
Total	5,125	100.0	

The underutilized workers also tend to be currently employed in areas of strong demand. Figure 7 illustrates that 26% (742) of the underutilized workers are employed as general laborers, 37% (1,056) are in customer service related occupations, 13% are in skilled or semi-skilled blue-collar occupations (371), and 24% are in professional positions (684).

Figure 7: Occupational Groups of the Underutilized



Methodology

The findings from this study are based on a random digit telephone sample of 653 adults living in six counties in northwestern Kansas and one county in northeastern Colorado. The survey was conducted from May 28 to June 13, 2002, using a Computer Assisted Telephone Interviewing (CATI) system. A total of 903 households were successfully contacted during the phone survey, and in 653 of these households an adult who is working, unemployed, or retired agreed to do the interview. This represents a response rate of 72%.

As previously mentioned, the margin of error for the survey findings of the 653 respondents is +/- 3.8%. The margin of error for the Available Labor Pool is +/- 6.8%.

The study sponsors and Docking 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.