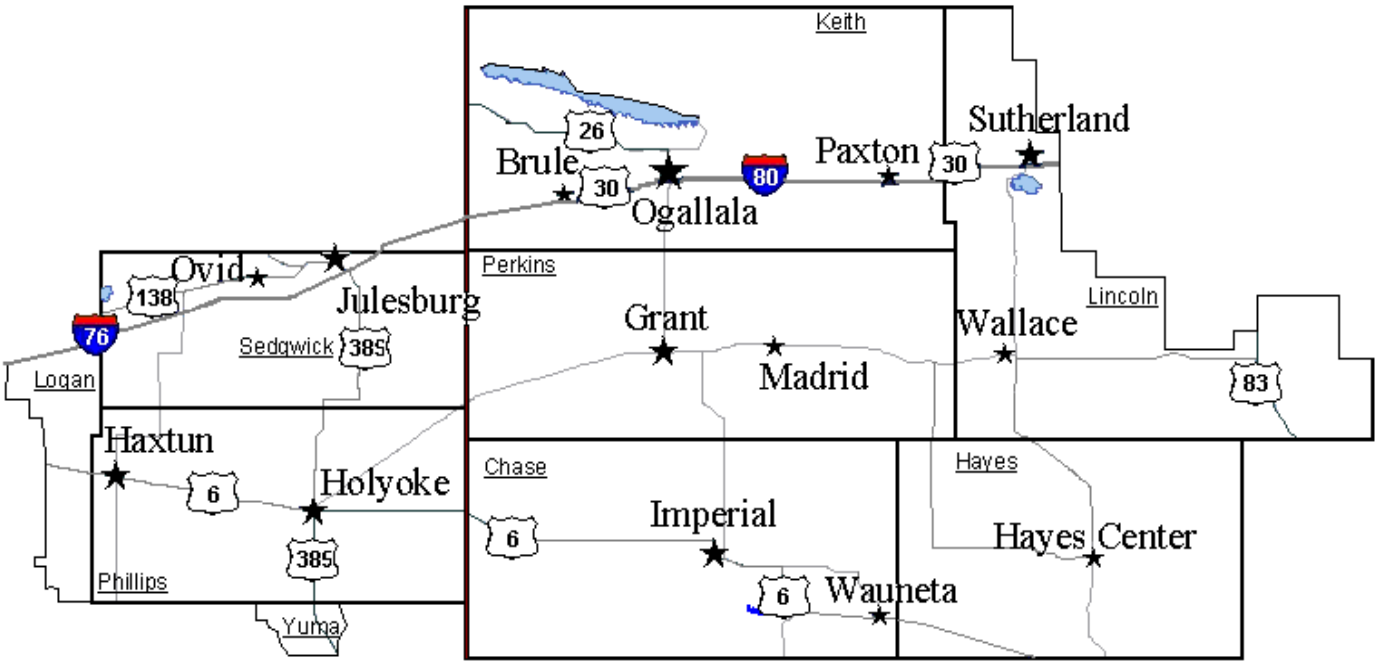
Grant Labor Basin

Labor Availability Analysis

Chase, Hayes, Keith, Perkins, and
portions of **Lincoln Counties -- Nebraska**
Phillip and **Sedgwick Counties -- Colorado**

Conducted For

City of Grant,
Nebraska



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Grant Labor Basin
Labor Availability Analysis
Executive Summary

The Grant Labor Basin includes Chase, Hayes, Keith, Perkins, and (portions of) Lincoln Counties in southwestern Nebraska, and Phillips and Sedgwick Counties in northeast 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 Grant Labor Basin of 5,881. It is estimated that 398 unemployed and 928 employed workers are seeking new employment, while 4,555 would consider changing employment for the right opportunities.

- More than two-thirds (67.9%) of the Available Labor Pool has at least some college education, while almost all (93%) have at least a high school diploma.

- Almost all of the members (5,583 or 95%) of the Available Labor Pool will commute 15 minutes or less, one way, for an employment opportunity, and about 4,385 (or almost 75% of the available labor) will travel 30 minutes or less for employment.

- About 72% of the Available Labor Pool (or an estimated 4,246 individuals) indicated that they would be "willing to travel to Grant, Nebraska, for a job or a new job."

- About 2,765 members (or almost 50%) of the Available Labor Pool are interested in a new job if offered $14.00 an hour. About 2,450 members (40%) of the available labor are interested in a new opportunity at $12.00 an hour, and about 1,580 members (27%) are interested in new employment at $10.00 an hour.

- When limiting the Available Labor Pool to those willing to commute the distance to Grant, the available labor for a blue-collar employer offering $16.00 an hour is almost 1,500 workers. At $14.00 an hour the available labor is 1,190 workers, at $12.00 an hour the available labor is slightly more than 1,082, and at $10.00 an hour there are about 670 workers available.

- When limiting the Available Labor Pool to those willing to commute the distance to Grant, a non-professional service sector employer offering $16.00 can expect to find about 1,400 workers available. At $14.00 there are about 1,165 workers available, and at $12.00 an hour there are about 1,055 workers available, and at $10.00 an hour there are about 640 workers available.

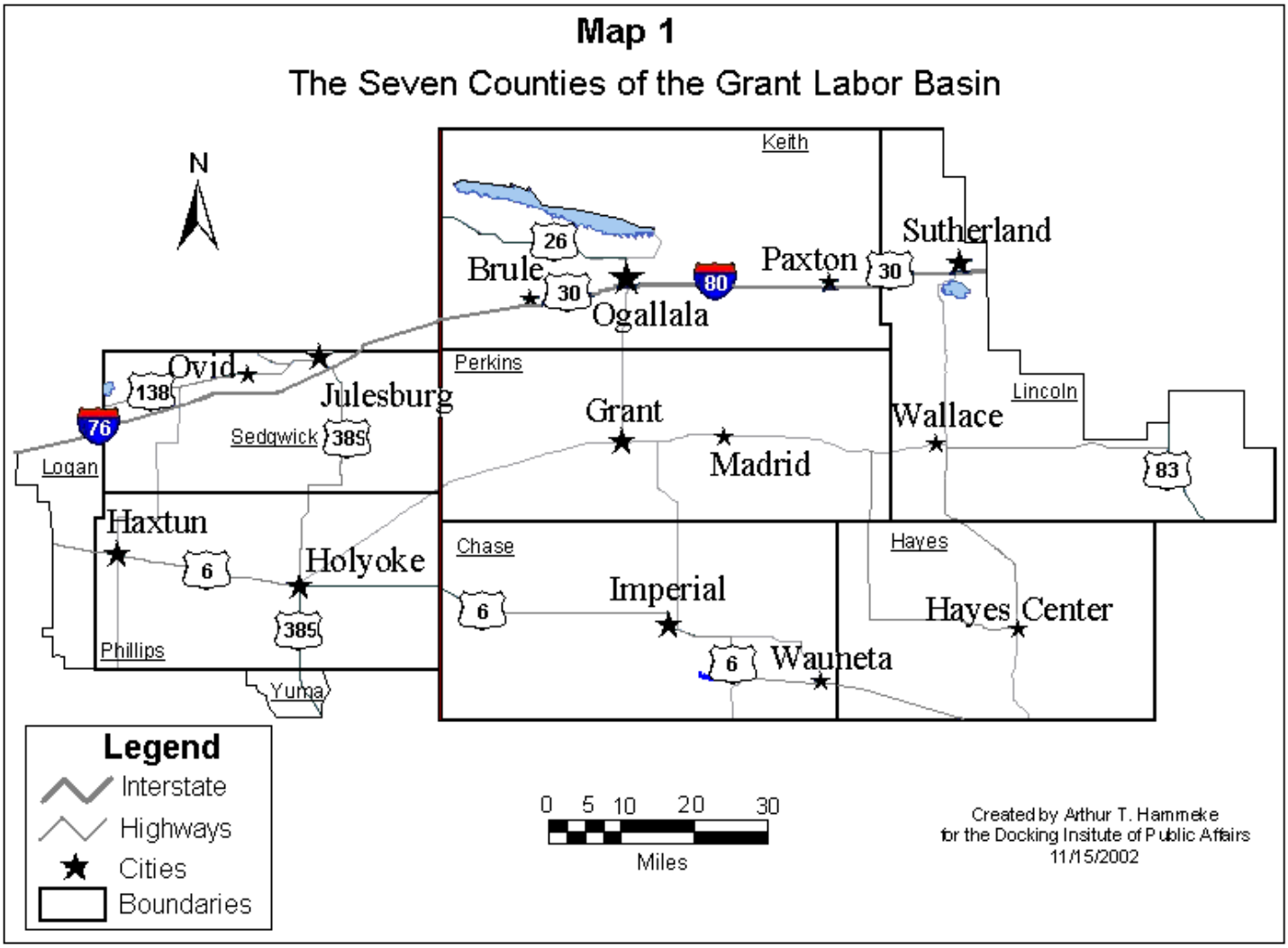
- More than a third, (or about 1,967 workers) of the entire Available Labor Pool, consider themselves underutilized. Of these workers, 94% have high school diplomas and more than two-thirds (68.6%) have some college experience.

Grant Labor Basin
Labor Availability Analysis

The Grant Labor Basin includes Chase, Hayes, Keith, Perkins, and (portions of) Lincoln Counties in southwestern Nebraska, and Phillips and Sedgwick Counties in northeast Colorado. The criteria used to include a county in this labor basin is whether it has a significant border adjacent to Perkins County, in which Grant is located, and/or whether the county is sufficiently isolated (but with adequate transportation access) to suggest its residents would commute to Grant for an employment opportunity. In addition, large cities within a particular county (such as North Platte in Lincoln County) are not included in this labor basin because it is assumed that the labor market is sufficient in that area to discourage workers to commute to Grant for employment.

The Grant Labor Basin has a total population of approximately 25,508, and a civilian labor force of approximately 12,250. There is an unemployment rate of 2.53%, 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 1,326 workers and non-workers (10.8% of the CLF) who are seeking new employment and 4,555 (37.1% of the CLF) workers who would consider new employment for the right opportunity.

See Map of the Grant Labor Basin on the Next Page


Map 1
The Seven Counties of the Grant Labor Basin
N
Keith
Sutherland
Brule
Paxton
Ogallala
Perkins
Lincoln
Ovid
Julesburg
Grant
Wallace
Sedgwick
Madrid
Logan
Haxtun
Holyoke
Chase
Hayes
Imperial
Hayes Center
Wauneta
Phillips
Yuma
Legend
Interstate
Highways
Cities
Boundaries
0 5 10 20 30
Miles
Created by Arthur T. Hammeke
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11/15/2002

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 have "made specific efforts to find employment" in the previous four weeks. The CLF for the Grant Labor Basin is 12,250 workers.

While a review of CLF statistics represents the starting point for understanding the labor force in and around Grant, Nebraska, 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* available for 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 Grant Labor Basin is 5,881 workers.

The Grant Labor Basin's Available Labor Pool

This section assesses the characteristics of the Available Labor Pool in the Grant Labor Basin by answering the following questions: 1) What proportion of the labor force—employed (including military personnel), 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?

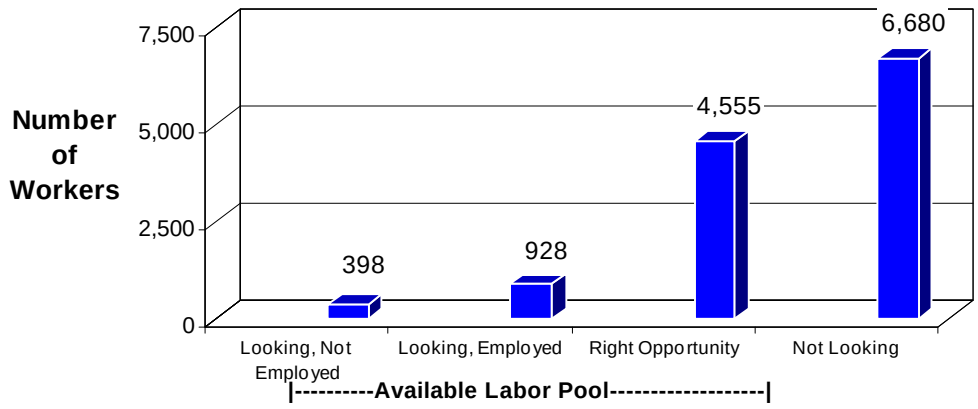
[1] The Available Labor Pool includes potential workers excluded from the CLF (such as full-time students willing to take a job, homemakers who have not yet sought employment, military personnel who may be leaving military employment in the near future, and retired individuals who may be willing and 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 631 employed, unemployed, non-working, and retired adults living in the Grant Labor Basin. When all 631 respondents are included in the analysis, the survey findings have a margin of error of +/- 3.9%. 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 Grant Labor Basin of 5,881. It is estimated that 398 unemployed[3] and 928 employed workers are seeking new employment, while 4,555 would consider changing employment for the right opportunities. Figure 1 also shows that 6,680 workers in the labor basin are **not** currently looking for new employment nor consider themselves available for new work at this time. However, this presents another large pool of workers for employers and planners to potentially draw from given future economic conditions and employment options not addressed in this research effort.

Figure 1: Available Labor Pool and Non-Looking Employed



[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.

Table 1 shows the various occupational categories[4] of the 5,881 members of the Available Labor Pool. Traditional blue-collar jobs represent about 50% of the Available Labor Pool. Included in this blue-collar category are more than 1,387 general laborers (23.6% of the total Available Labor Pool). Traditional service-related occupations represent about 32% of the Available Labor Pool, while professional occupations comprise another 9.1%. Finally, homemakers, full-time students, the unemployed, and retired individuals represent 6.6% of the Available Labor Pool. (Percentages do not equal 100% due to rounding.)

Table 1: Occupation of Available Labor

	Number	Percent
General Labor	1,387	23.6
Farm/Ranch Labor	649	11.0
Factory Worker/HEO	290	4.9
Technician/Mechanic	372	6.3
Gov't Service/Other Blue Collar	249	4.2
Customer Service/Clerical	624	10.6
Social Service/Para-Prof.	768	13.1
Management/Sales	481	8.2
Executives/Professionals	537	9.1
Arts/Other White Collar	125	2.1
Homemaker/Student	96	1.6
Unemployed/Retired	302	5.1
Total	5,881	100.0

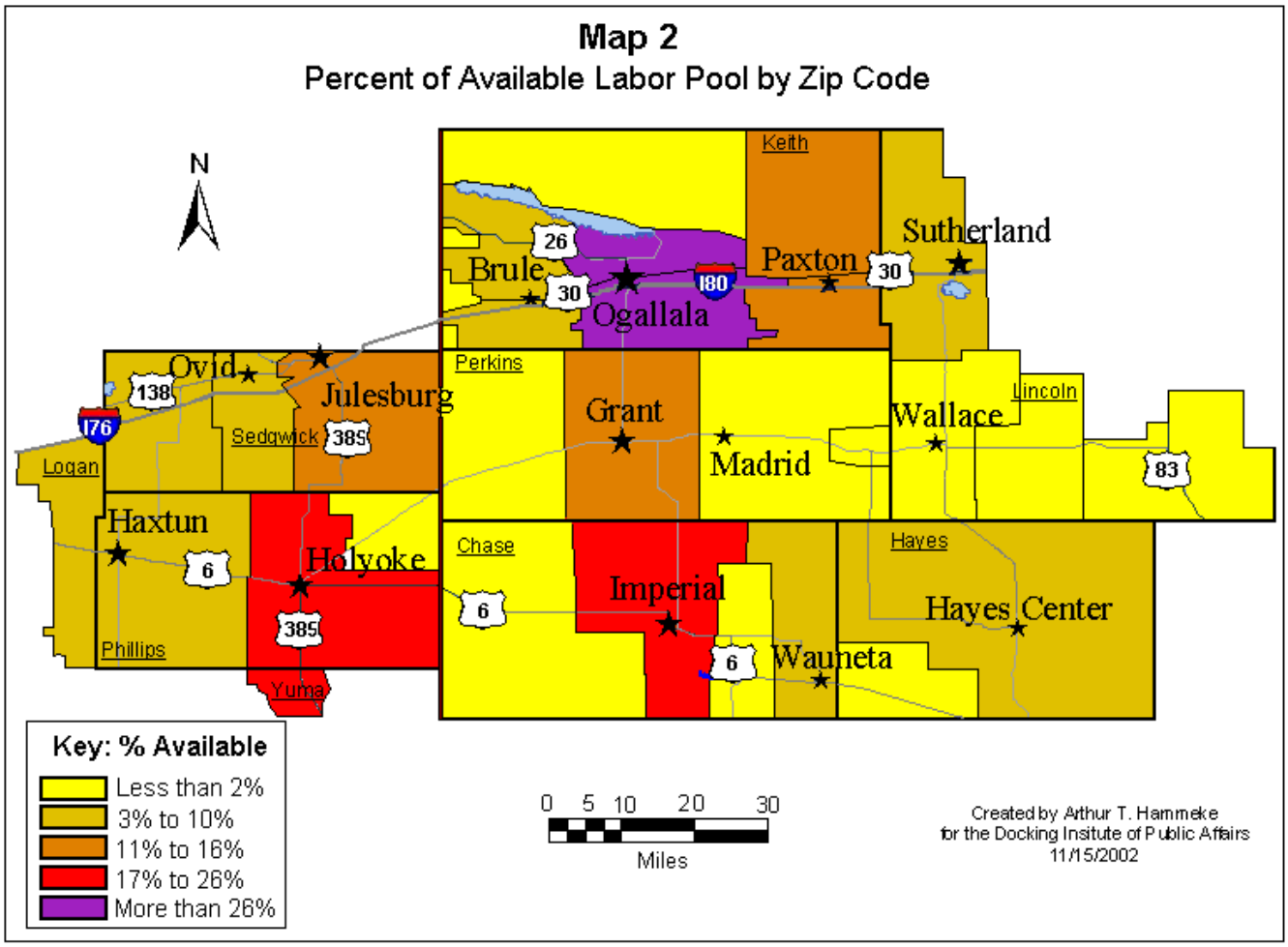
[4] These categories were derived for ease of presentation and comprehension. Please see the Appendix for a more detailed list of categories.

Table 2 shows the gender, age statistics, and educational levels of the 5,880-member Available Labor Pool. Approximately 56% are men, and the average age is 45 years. The educational levels of the Available Labor Pool are high. More than two-thirds (67.9%) of the available workers have at least some college education, while most (93.3%) workers have at least a high school diploma.

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

Age			
	Age in 2002		
Average	45		
Median	46		
Gender			
	Number	Percent	
Female	2,587	44.0	
Male	3,294	56.0	
Total	5,881	100.0	
Highest Level of Education Achieved			
	Number	Percent	Cum. Percent
Doctoral Degree	22	0.4	0.4
Masters Degree	279	4.7	5.1
Bachelors Degree	951	16.2	21.3
Associates Degree	1,179	20.0	41.3
Some College	1,561	26.5	67.9
High School Diploma Only	1,496	25.4	93.3
Less HS Diploma	393	6.7	100.0
Total	5,881	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 Grant 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 Grant Labor Basin are located around Ogallala, Imperial, and Holyoke.



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 is 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 Grant Labor Basin. Table 3 indicates that 86.1% of the Available Labor Pool, or about 5,062 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	5,062	86.1
No	819	13.9
Total	5,881	100.0

Figure 2 and Table 4 (next page) indicate that the Available Labor Pool in the Grant Labor Basin is open to commuting. Almost 95% of the workers in the Available Labor Pool will commute 15 minutes or less, one way, for an employment opportunity, and about three-quarters (74.6% or about workers) will commute 30 minutes or less for employment. About 1,831 workers (almost a third at 31.1% of the available labor) are willing to travel for 45 minutes for employment.

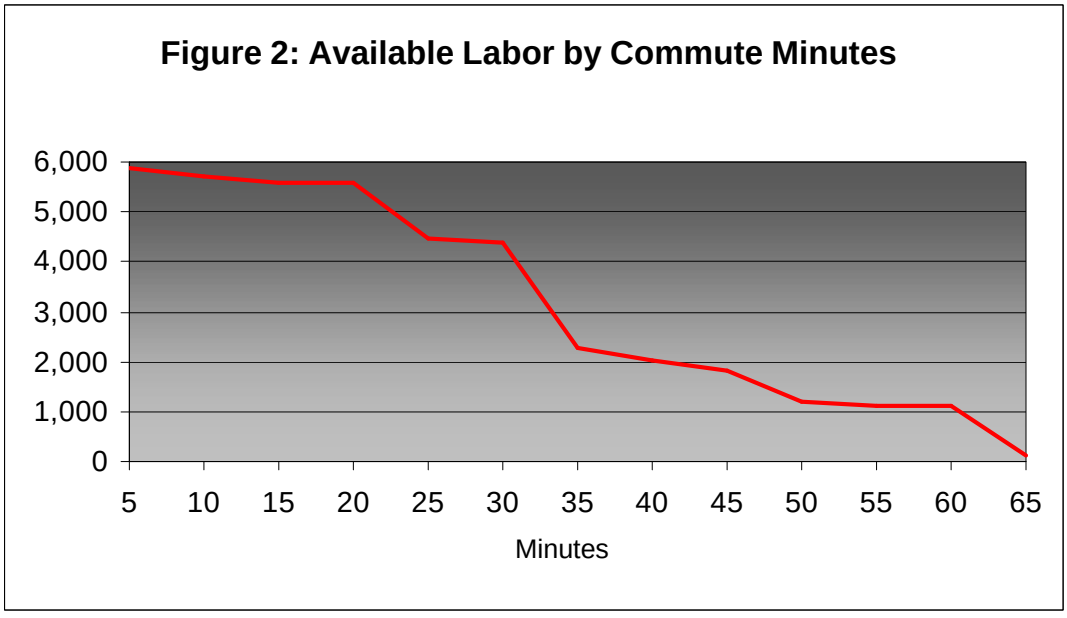


Table 4: Time Available Labor Will Commute

	Number	Cumulative Percent
More than 60 Minutes	111	1.9
60 Minutes or Less	1,108	18.8
55 Minutes or Less	1,108	18.8
50 Minutes or Less	1,218	20.7
45 Minutes or Less	1,831	31.1
40 Minutes or Less	2,047	34.8
35 Minutes or Less	2,280	38.8
30 Minutes or Less	4,385	74.6
25 Minutes or Less	4,471	76.0
20 Minutes or Less	5,583	86.4
15 Minutes or Less	5,583	94.9
10 Minutes or Less	5,691	96.8
5 Minutes or Less	5,880	100.0

Importantly for employers and planners, about 72% of the Available Labor Pool (or an estimated 4,246 individuals) indicated that they would be “willing to travel to Grant, Nebraska, for a job or a new job.”

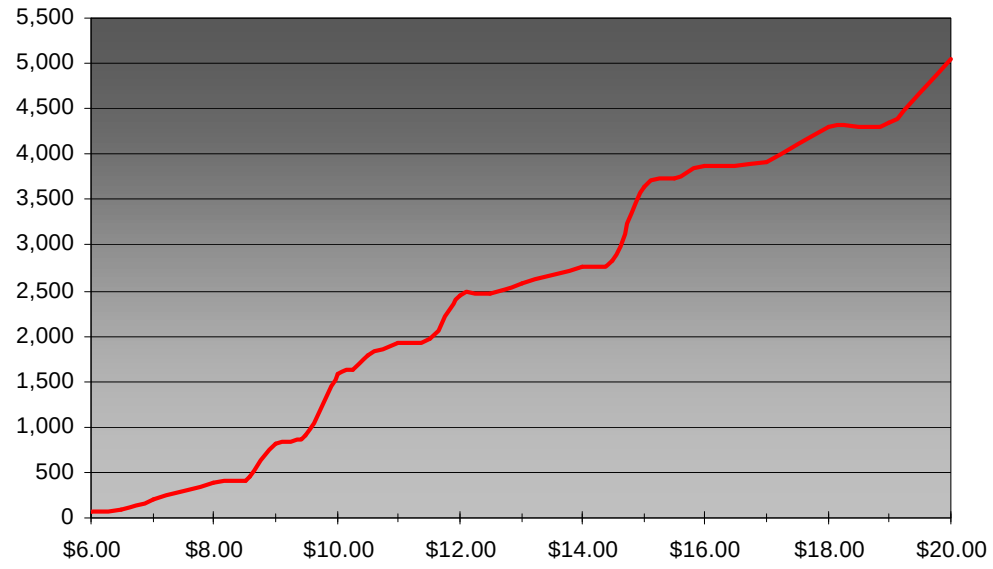
Table 5 shows that the most important benefit affecting workers’ decisions to leave their present job is higher pay (96.1%), followed by improved retirement benefits (78.3%), more flexible work hours (70.5%), and better health benefits (53.2%). More than half (52.9%) suggests educational opportunities are very important considerations for a new job, and almost a third (32.4%) desire a different community to work in and a job closer to home (31.8%). On-site childcare did not seem to find much support among respondents, with only 16% of the Available Labor Pool suggesting that this is very important.

Table 5: Benefit Very Important In Decision to Change Employment

	Percent Responding "Yes"
Salary	96.1
Retirement	78.3
Flexible Hours	70.5
Health Benefits	53.2
Educational Opportunities	52.9
Difference Community	32.4
Closer to Home	31.8
On-Site Childcare	16.0

Figure 3 shows the wage demands of the Available Labor Pool. About 2,765 members (or almost 50%) of the Available Labor Pool are interested in a new job if offered $14.00 an hour. About 2,450 members (or slightly more than 40%) of the available labor are interested in a new opportunity at $12.00 an hour, and about 1,580 members (27%) are interested in new employment at $10.00 an hour. About 380 people (or 6% 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

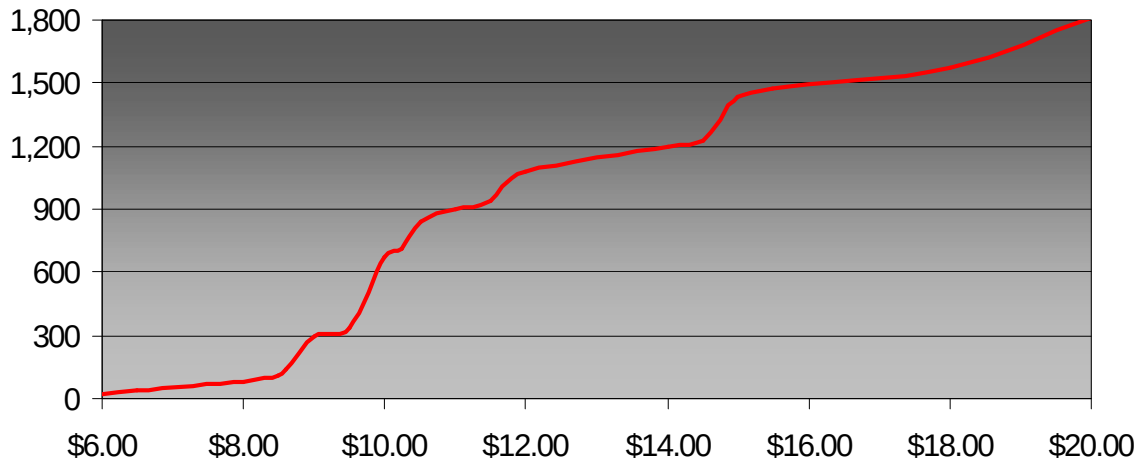
To present an even more refined picture regarding the number of workers that would seriously consider a new employment opportunity, a number of additional factors are considered. These factors include commute time, desired wages, and willingness to change job fields. Specifically, the following analyses *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: blue-collar to non-professional service sector worker).

Given these exclusions[5], 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 $16.00 an hour is almost 1,500 workers. At $14.00 an hour there are about 1,190 workers available. At $12.00 an hour the available labor is 1,082 workers, at $10.00 an hour the available labor is slightly more than 670, and at $8.00 an hour there are almost 80 workers available.

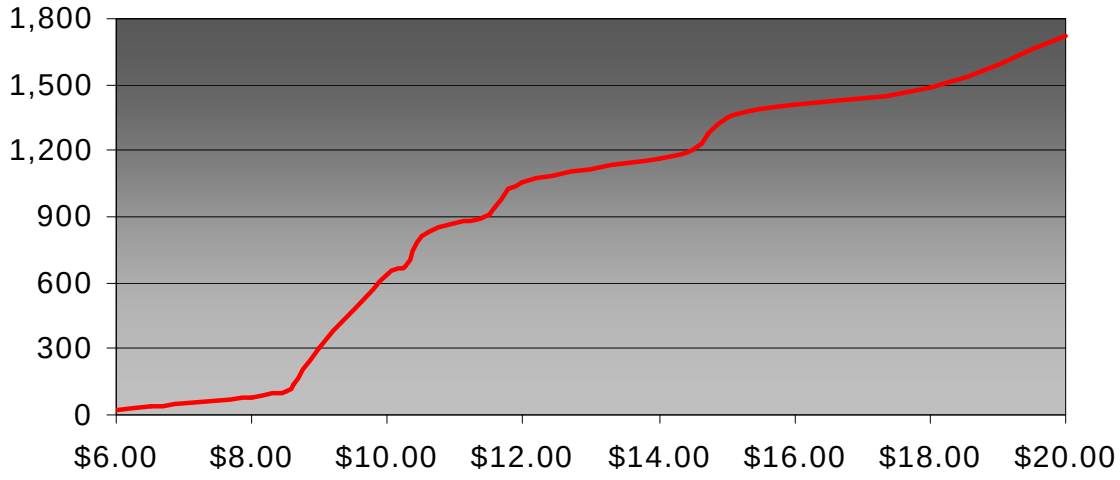
Figure 4: Available Labor for Employers of Semi-Skilled Blue Collar Workers by Hourly Wage



[5] 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 $16.00, there are about 1,400 workers available. A $14.00 an hour, the available labor is almost 1,165. At $12.00 there are almost 1,055 available workers, at $10.00 an hour there are about 640 available workers, and at $8.00 an hour there are about 80 available workers.

Figure 5: Available Labor for Employers of Semi-Skilled Service Workers by Hourly Wage



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 detailed survey questions) if their skills, education, or talents are underutilized in their current job. Figure 6 shows that a third (33%), or 1,967 workers, in the ***entire*** Available Labor Pool, consider themselves underutilized.

Figure 6: Underutilization

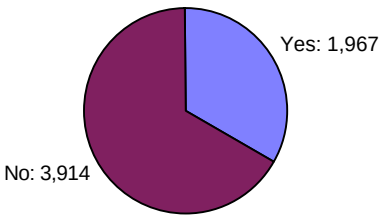


Table 6 shows the education levels of the 1,967 underutilized workers in the Available Labor Pool, with almost 69% having at least some college education. Almost all (94%) have a high school diploma.

Table 6: Highest Level of Education Achieved Among Underemployed

	Number	Percent	Cum. Percent
Doctoral Degree	0	0.0	0.0
Masters Degree	35	1.8	1.8
Bachelors Degree	164	8.3	10.1
Associates Degree	473	24.0	34.2
Some College	678	34.4	68.6
High School Diploma Only	499	25.4	94.0
Less HS Diploma	118	6.0	100.0
Total	1,967	100	

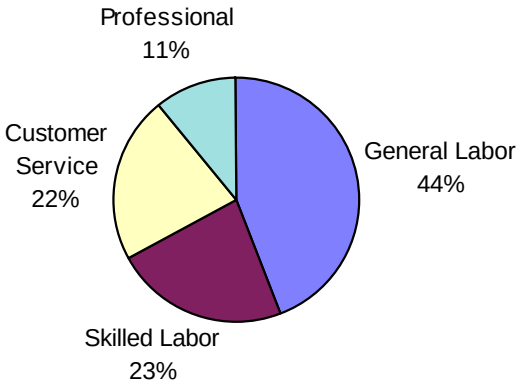
Table 7 shows the education levels of the members of the Available Labor Pool that do ***not*** consider themselves underutilized. Of the 3,914 non-underutilized workers, 67.5% have at least some college education, and 93% have at least a high school diploma.

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

	Number	Percent	Cum. Percent
Doctoral Degree	23	0.6	0.6
Masters Degree	243	6.2	6.8
Bachelors Degree	787	20.1	26.9
Associates Degree	706	18.0	44.9
Some College	883	22.6	67.5
High School Diploma Only	997	25.5	93.0
Less HS Diploma	275	7.0	100.0
Total	3,914	100	

The underutilized workers also tend to be currently employed in areas of strong demand. Figure 7 illustrates that 44% (865) of the underutilized workers are employed as general laborers, 22% (433) are in customer service related occupations, 23% are in skilled labor occupations (453), and 11% are in professional positions (216).

Figure 7: Occupational Groups of the Underutilized



Methodology

The findings from this study are based on a random digit telephone sample[6] of 631 adults living in Chase, Hayes, Keith, Perkins, and (a portion of) Lincoln Counties in southwestern Nebraska, and Phillips and Sedgwick Counties in northeast Colorado. The survey was conducted from August 21 to September 9, 2002, using a Computer Assisted Telephone Interviewing (CATI) system.

A total of 875 households were successfully contacted during the phone survey, and in 631 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 631 respondents is +/- 3.9%. 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.

[6] 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 high response rate.

Appendix

Detailed List of Occupations

	Number	Percent
General Labor/Construction/Cleaning	595	10.1
Farm Labor/Ranch Hand/Oil Field Roustabout	649	11.0
Delivery/Driver/Courier	311	5.3
Maintenance/Wiring/Landscaping	480	8.2
Factory Worker/Grain Elevator/Meat Packer	79	1.3
Truck Driver/Heavy Equipment Operator	211	3.6
Police/Fire/Postal/Military Enlisted	215	3.7
Lab Tech/Medical Tech/Computer Tech/Web Design	255	4.3
Mechanic/Welder/Carpenter/Electrician	116	2.0
Other Blue Collar	34	0.6
General Customer Service/Retail/Clerk/Reception/Waitress	151	2.6
Clerical/Book-Keeper/Bank Teller	473	8.0
Para-legal/Para-professional/CNA/Day Care	347	5.9
Nurse/LPN/RN/Semi-skilled Social Service	422	7.2
Office Manager/Small Business Owner	353	6.0
Arts/Entertainment/Chef/Writer/Instructor	125	2.1
Sales/Marketing/Accountant/Computer Programmer	128	2.2
Govt., Non-Profit, or Bus. Exec./Farm Owner/Military Officer	250	4.3
Teacher/Counselor/Social Worker/Physician's Assistant	238	4.0
Professor/Doctor/Scientist/Engineer/Attorney	49	0.8
Other White Collar	0	0.0
Homemaker	95	1.6
Unemployed	246	4.2
Retired	57	1.0
Total	5,881	100