

# Hutchinson Labor Basin

## Labor Availability Analysis - 2007

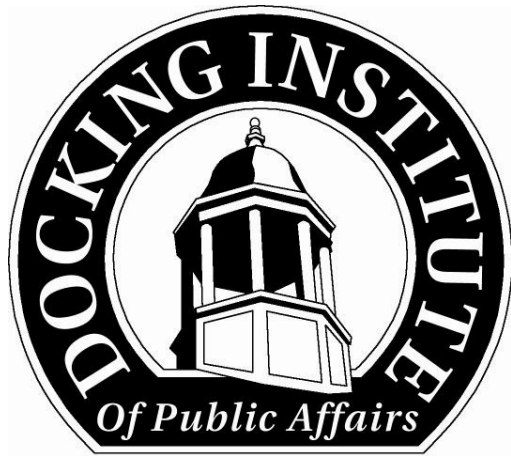
Harvey ♦ Kingman ♦ McPherson ♦ Reno  
Rice ♦ Sedgwick ♦ Stafford



Prepared For  
**Hutchinson/Reno County Chamber of Commerce**

Prepared By  
**The Docking Institute of Public Affairs**

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# Hutchinson Labor Basin Labor Availability Analysis - 2007

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# Hutchinson Labor Basin Labor Availability Analysis

## Executive Summary

The Hutchinson Labor Basin includes portions of Harvey, Kingman, McPherson, Reno, Rice, Sedgwick and Stafford 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:

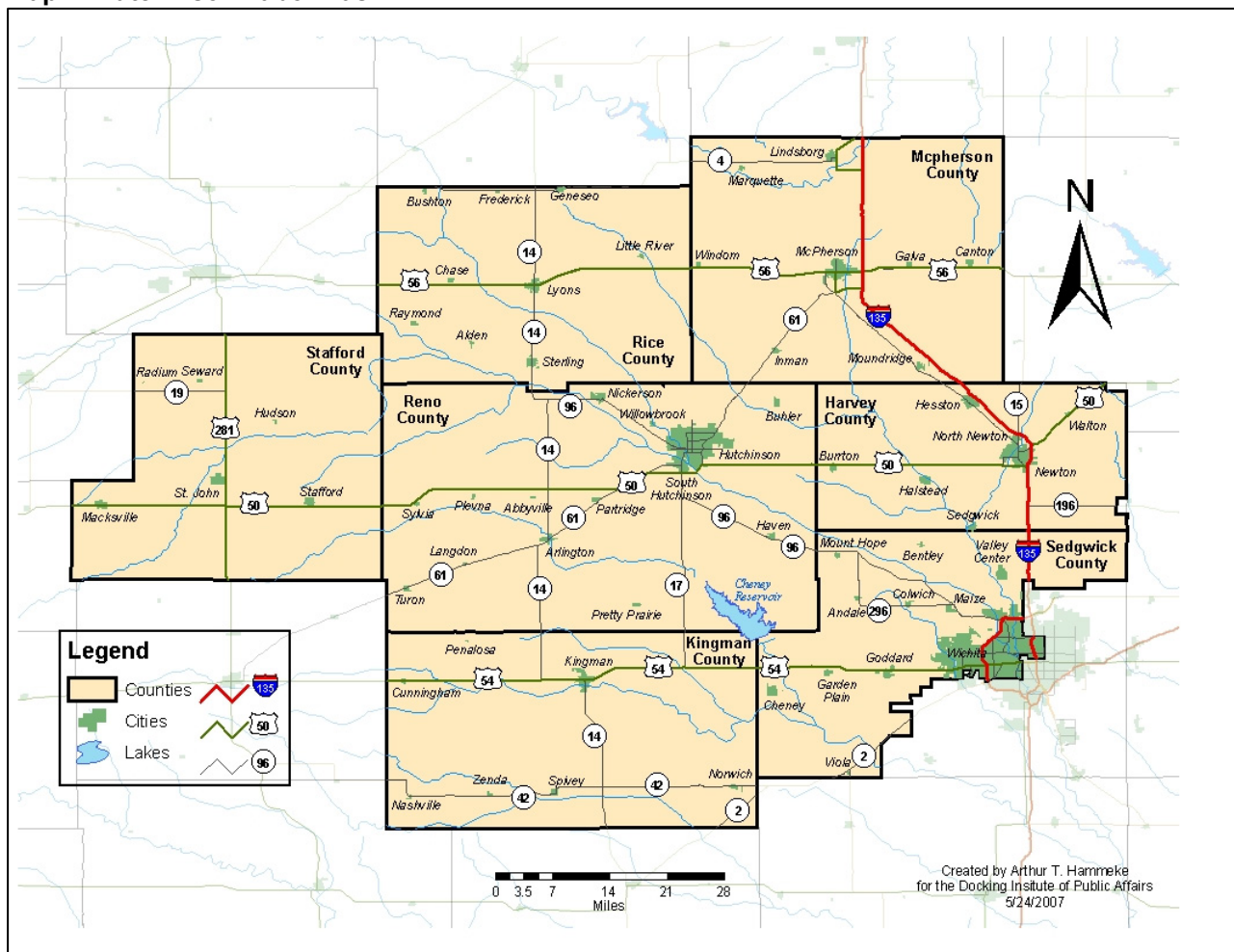
- The population of the Hutchinson Labor Basin is estimated to be 336,702. About 18.3% of the population (or 61,705 individuals) is considered to be part of the Available Labor Pool (ALP).
- Among the ALP, an estimated 3,388 (5.5%) non-working and 13,793 (22.4%) working individuals are *looking* for new employment, while 5,566 (9.0%) non-working and 38,959 (63.1%) working individuals would *consider* new and/or different employment for the right opportunities.
- Nearly 75% of the ALP has at least some college experience and almost all (95%) 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 52% of the ALP.
- Majorities of ALP members report needing “no additional training” for a job requiring working in groups or interpersonal skills (85%) and writing (59%). More than half of ALP members indicate a need for at least “some training” for a job in public speaking (53%), management (59%) and computer operations (62%).
- 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 98% of the Non-ALP suggest the same.
- Almost 88% (or 54,211 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.”
- Almost 26% of the members (or 16,007 individuals) of the ALP will commute up to 45 minutes, one way, for an employment opportunity. Slightly more than 73% (or 45,136 individuals) will commute up to 30 minutes for employment.
- The most important desired benefits are good salary or hourly wage, good retirement benefits, good health benefits, on-the-job training (OJT) or paid training, and good vacation benefits.
- Among the ALP that are willing to commute the necessary time to the labor basin center, 10,657 people (17.3% of the entire ALP) are interested in a new job at \$16 an hour, 4,866 (7.9%) are available at \$12 an hour, and 1,533 (2.5%) are available at \$8 an hour.
- Among the 52,752 *employed members* of the ALP, 23,381 (44%) consider themselves underutilized. About three-quarters (75.7%) of this subset of the ALP has some college experience, and a substantial majority (83%) is willing to change jobs to improve it’s underutilized status.



## The Hutchinson Labor Basin

The Hutchinson Labor Basin includes seven counties in central 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 (Hutchinson) for an employment opportunity. In the case of the Hutchinson Labor Basin, it can be reasonably assumed that individuals may commute from one of the six neighboring counties (and within Reno County) because these counties contain: 1) communities that are sufficiently isolated but with adequate transportation access leading to Hutchinson, and 2) communities that are within an hour's commute time to the center of the labor basin. Only the northwestern portion of the city of Wichita in Sedgwick County is included in this labor basin because it is assumed that the labor market is sufficient south and east of that area to discourage workers to commute to Hutchinson for employment.

**Map 1: Hutchinson Labor Basin**



The Hutchinson Labor Basin has a total population of approximately 336,702 and a Civilian Labor Force (CLF) of 182,128. There is an average unemployment rate of 3.75% and this research effort suggests that there is a pool of approximately 61,705 individuals from which new employers and/or current employers can draw. This “pool” of workers is referred to as the Available Labor Pool (ALP) by Docking Institute researchers.

The ALP 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*. Please see the Methodology section – page 23 – for more information about the Institute’s ALP analysis methodology and the survey research methods used for this report.

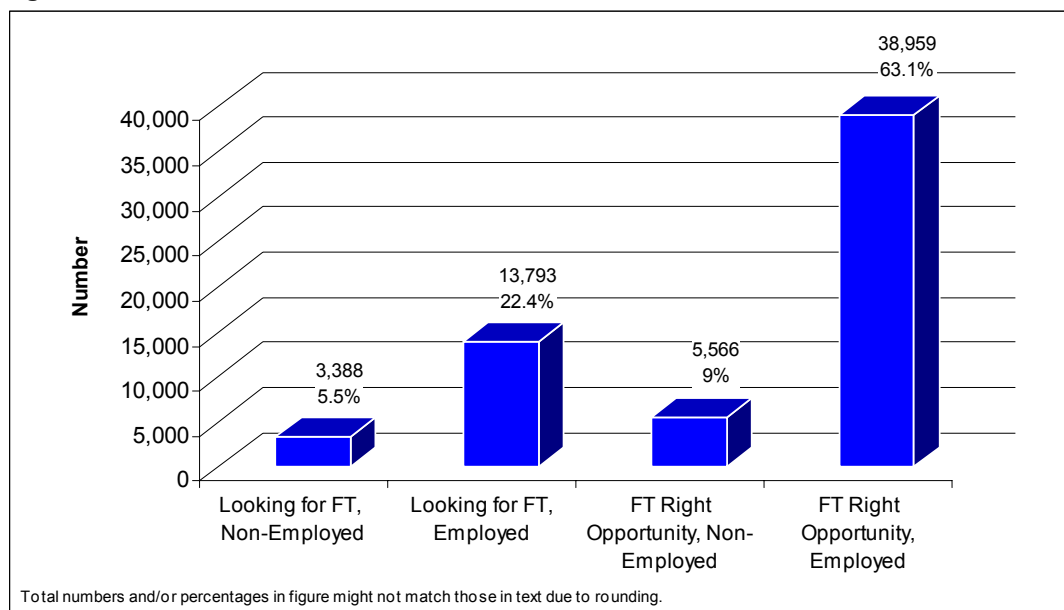
### The Hutchinson Labor Basin’s Available Labor Pool

This section of the report assesses the characteristics of the ALP in the Hutchinson 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 these 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?

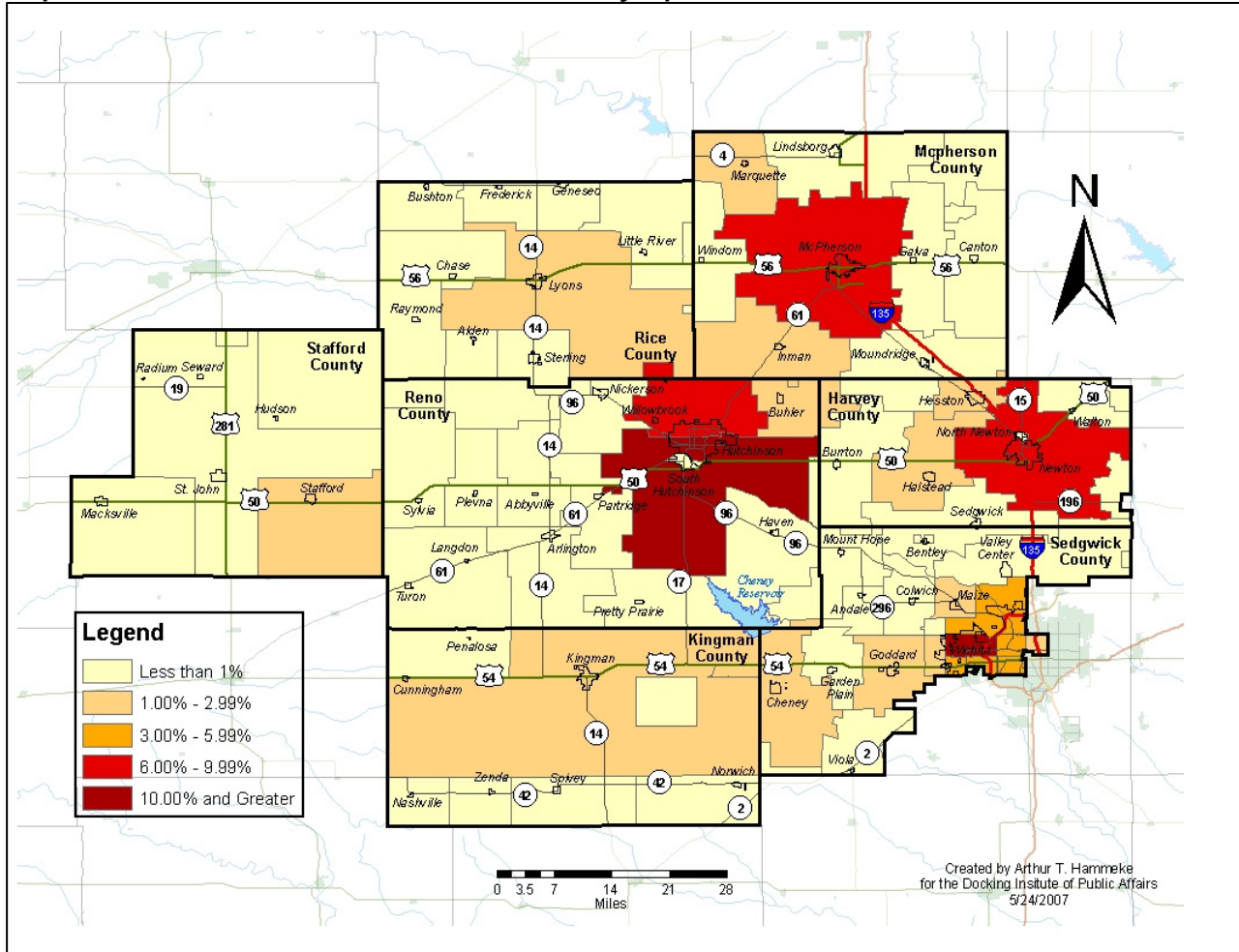
It is estimated that 3,388 (5.5% of the ALP) non-employed<sup>1</sup> and 13,793 (22.4%) employed individuals are *currently looking* for new or different employment, and 5,566 (9%) non-employed individuals and 38,959 (63.1%) employed individuals *would consider* changing employment for the right opportunities.

**Figure 1: The Available Labor Pool for the Hutchinson Labor Basin**



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 Hutchinson 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 Hutchinson Labor Basin are located in Reno, Sedgwick, Harvey and McPherson Counties, centering around Hutchinson, northwest Wichita, Newton, and McPherson, respectively.

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



<sup>1</sup> 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.

Table 1 shows the gender, age, and education levels of the 61,705-member ALP. Nearly 52% are women, and the average age is 44 years old. Nearly all (95.3%) have at least a high school diploma, about three-quarters (74.9%) have at least some college education, and slightly more than two-thirds (38.1%) have at least a bachelor's degree.

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

<b>Age</b>	Age in 2006		
Range	18 to 76		
Average	44		
Median	44		
<b>Gender</b>	Number	Percent	
Female	32,058	52.0	
Male	29,647	48.0	
Total	61,705	100.0	
<b>Highest Level of Education Achieved</b>	Number	Percent	Cumulative Percent
Doctoral Degree	480	0.8	0.8
Masters Degree	7,854	12.7	13.5
Bachelors Degree	15,182	24.6	38.1
Associates Degree	6,889	11.2	49.3
Some College (including current students)	15,804	25.6	74.9
High School Diploma Only	12,616	20.4	95.3
Less HS Diploma	2,880	4.7	100.0
Total	61,705	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 61,705 members of the ALP. General labor occupations represent 17.5% of the entire ALP, including 3,608 (5.8%) general laborers/cleaners/delivery drivers. High-skilled blue-collar jobs make up 7.1% of the ALP, with 2,519 (4.1%) technicians/mechanics/welders.

Traditional service-related or “pink-collar” occupations represent 30.5% of the ALP, including 5,090 (8.2%) customer service workers/receptionists/food service workers. Professional white collar workers make up 30.5% of the ALP, including 7,998 (13%) government and business professionals and sales operatives. Educators, counselors, doctors, and attorneys make up a large percentage of the professional occupations (17.5%), with teachers representing the majority of this group.

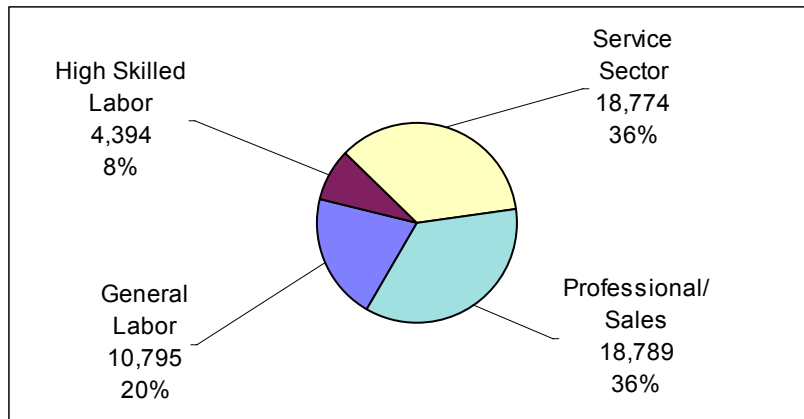
**Table 2: Major Occupational Categories of Available Labor**

	Number	Percent	Years at Job	
			Mean	Median
General Labor/Cleaning/Farm Labor/Delivery	3,608	5.8	8.0	2.4
Maintenance/Factory Work	5,066	8.2	7.1	6.0
Trucking/HEO/Other BC	2,132	3.5	8.6	5.6
<b>Total General Labor</b>	<b>10,806</b>	<b>17.5</b>	<b>7.9</b>	<b>4.7</b>
Gov't Service/Protective Service	1,879	3.0	10.8	9.7
Technician/Mechanic/Welder	2,519	4.1	12.9	9.7
<b>Total Highly-Skilled Labor</b>	<b>4,398</b>	<b>7.1</b>	<b>11.8</b>	<b>9.7</b>
Customer Service/Receptionist/Food Service	5,090	8.2	4.2	1.0
Clerical/Secretarial	4,615	7.5	7.9	6.5
Social Service/Para-Professional/Nursing	5,260	8.5	8.5	4.0
Office Manager/Small Business Owner/Other WC	3,828	6.2	9.1	8.0
<b>Total Service Sector</b>	<b>18,793</b>	<b>30.5</b>	<b>7.4</b>	<b>4.9</b>
Gov't & Business Professional/Sales	7,998	13.0	9.4	6.0
Educator/Counselor/Doctor/Attorney	10,810	17.5	13.4	12.2
<b>Total Professional</b>	<b>18,808</b>	<b>30.5</b>	<b>11.4</b>	<b>9.1</b>
Homemakers/Unemployed	6,355	10.3	n/a	n/a
Students	431	0.7	n/a	n/a
Retired/Disabled	2,114	3.4	n/a	n/a
<b>Total Non-Employed</b>	<b>8,900</b>	<b>14.4</b>		
<b>Total</b>	<b>61,705</b>	<b>100</b>		

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 Hutchinson 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 5,090 members of the ALP in the Hutchinson Labor Basin are currently employed as general customer service workers, retail sales clerks, receptionists, food service workers and similar positions. An additional 6,279 ALP members in the basin indicate previous employment experience or training in one of those jobs, for a total of 11,369 individuals.

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

	Current Employment*	Previous Work/Training*	Current plus Previous Work or Training**
	Number +	Number =	Number
General Labor/Construction/Cleaning	1,766	1,995	3,761
Farm Labor/Ranch Hand/Landscaping	0	861	861
Delivery/Driver/Courier	1,842	2,056	3,898
Maintenance/Wiring/Plumbing	2,772	1,689	4,461
Factory Worker/Grain Elevator Op/Meat Packer	2,294	4,722	7,016
Truck Driver/Heavy Equipment Operator	2,132	544	2,676
Police/Fire/Postal/Military Enlisted	1,879	1,973	3,853
Mechanic/Welder/Carpenter/Electrician	1,482	975	2,456
Lab or Medical Technical/Comp Technician	1,037	558	1,595
Other Blue Collar	0	0	0
General Customer Service/Retail/Reception/Food Service	5,090	6,279	11,369
Clerical/Secretary/Book-Keeper/Bank Teller	4,615	4,893	9,508
Para-legal/Para-pro/CNA/Day Care	2,312	2,653	4,965
Nurse/LPN/RN/Semi-skilled Social Service	2,949	1,506	4,455
Office Manager/Small Business Owner	3,619	9,436	13,055
Teacher/Instructor/Writer/Researcher	6,317	2,196	8,513
Sales/Marketing/Accounting	7,998	1,190	9,188
Govt, Non-Profit, or Bus Exec/Farm Owner/Military Officer	0	544	544
Counselor/Social Worker/Physician's Assistant	1,790	272	2,062
Professor/Doctor/Engineer/Attorney	2,702	272	2,974
Other White Collar	209	0	0
Total	52,805	44,615	

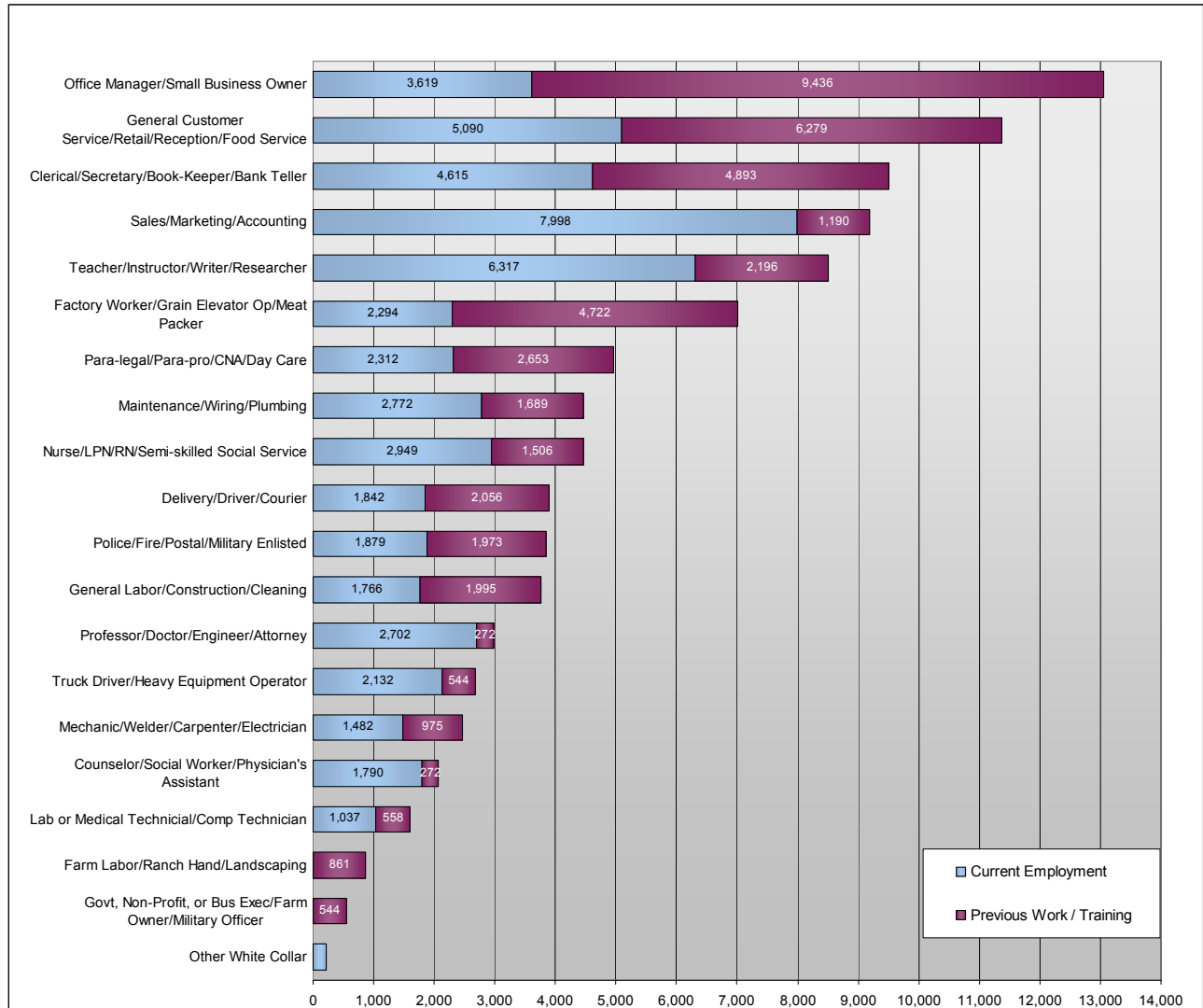
\* Retired, disabled, non-working students, homemakers are not included.

\*\* 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.

Figure 3 shows the same information as that presented in Table 3, but in graphic format. Again, many ALP members report current work experience or previous work/training as general customer service workers, retail sales clerks, receptionists, food service workers and similar positions require interaction with the public. There are 5,090 working ALP members currently employed in this category and 6,279 previously employed/trained in this category, for a total of 11,369 individuals.

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



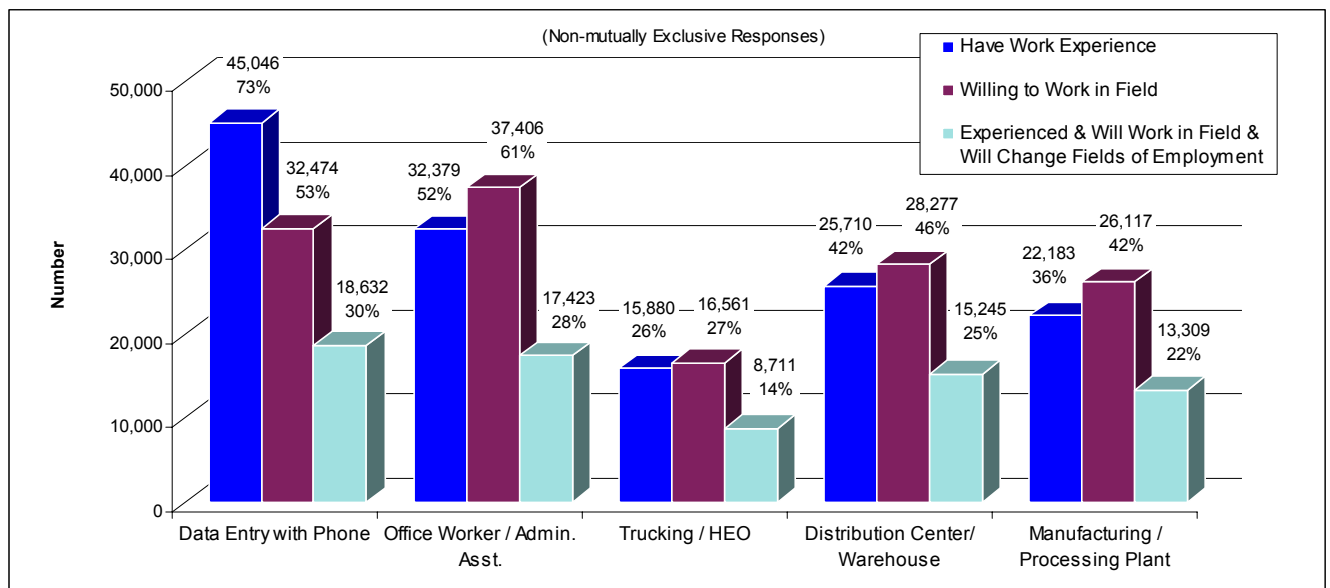
In addition to collecting data regarding the current employment status and previous work or training experience through a series of “open-ended” survey questions (the results of which are shown in the previous table and figure), respondents were asked about the five specific employment areas listed in 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 45,046 (73%) ALP members report having training and/or experience in data entry with telephone operation, while fewer (32,474 or 53%) would consider employment in that field. Between 52% and 36% of the Available Labor Pool members also have training and/or experience as office workers and administrative assistants, warehousing/distribution workers, and manufacturing or processing plant workers. Fewer have training or experience in trucking or heavy equipment operation (15,880 or 26%).

Among the employment options listed, the most popular is office work with 37,406 (61%) of the members of the ALP reporting that they might be interested in a job in that field. Data entry with telephone work, warehousing work and manufacturing work are also somewhat popular employment fields with 53%, 46% and 42% of the ALP suggesting that they might take jobs in those fields. Lastly, more than a quarter (27%) of the ALP in the labor basin 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 **and** are willing to change fields of employment.

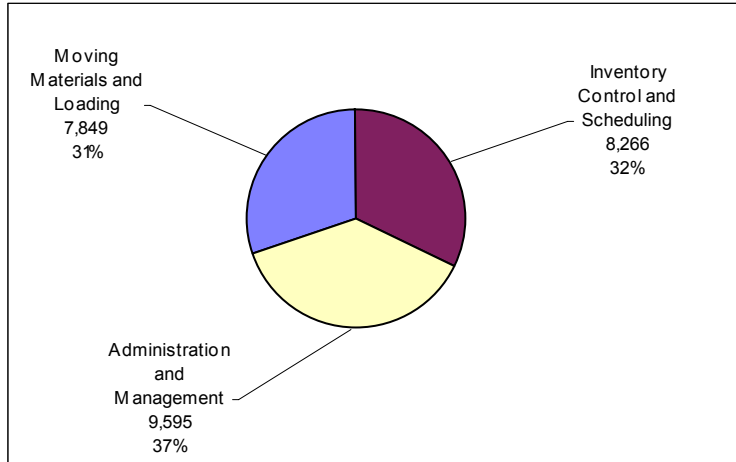
**Figure 4: Work Experience and Willing to Work in Field**



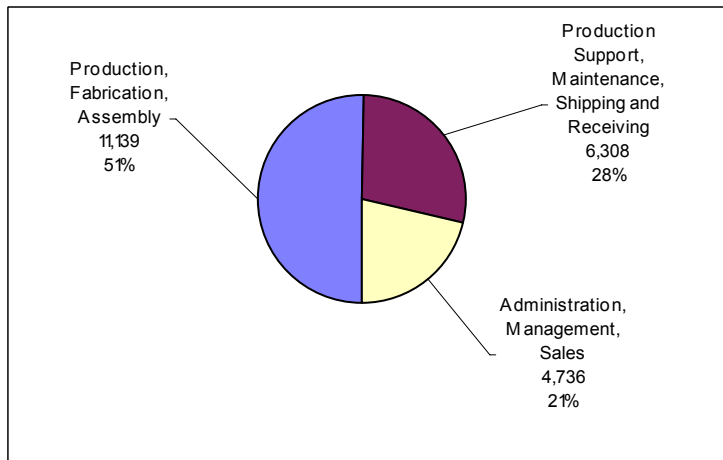


Survey respondents that indicated that they had worked in distribution/warehousing and those that indicated that they had worked in manufacturing and processing were asked additional questions to assess the type of work they performed at those jobs. Figures 5 and 6 show the responses to those questions.

**Figure 5: Work Experience in Distribution Center or Warehouse**



**Figure 6: Work Experience in Manufacturing or Processing**

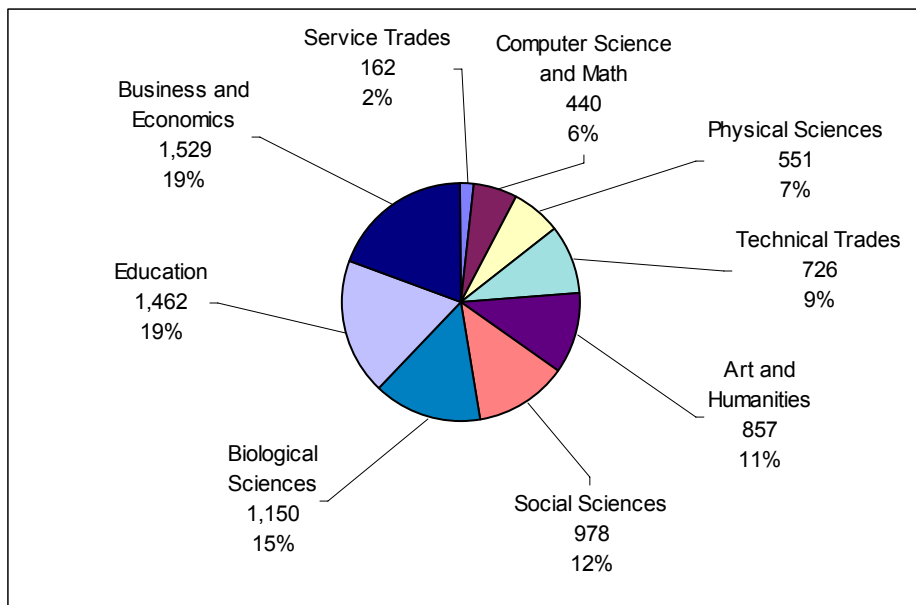


Respondents that had completed at least some college or are currently enrolled in a community college, college, or university were asked to provide their major area of study. Answer options included:

- 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.
- H. Technical Trades
  - Automotive, Plumbing, Carpentry, Electrical and Welding.
- I. Service Trades
  - Cosmetology, Cooking, Floristry, Corrections and Photography.

The figure below shows that most ALP members indicate a major in Business and Economics, Education, or Biological Sciences and Health (53% combined). Social Sciences and Arts and Humanities round out the top 76%.

**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 that about 85% of the members of the ALP report needing “no additional training” for a job requiring working in groups or interpersonal skills. About 14% of the ALP report needing “some additional training” only about 1% report needing “much additional training” for a job requiring working in groups or interpersonal skills<sup>2</sup>.

More than half of the ALP indicates needing no additional training for a job requiring writing skills (59%), however, more than half report needing at least some training for jobs requiring math, public speaking, management or computer operation skills.

**Figure 8: Self-Assessed Training Needs**

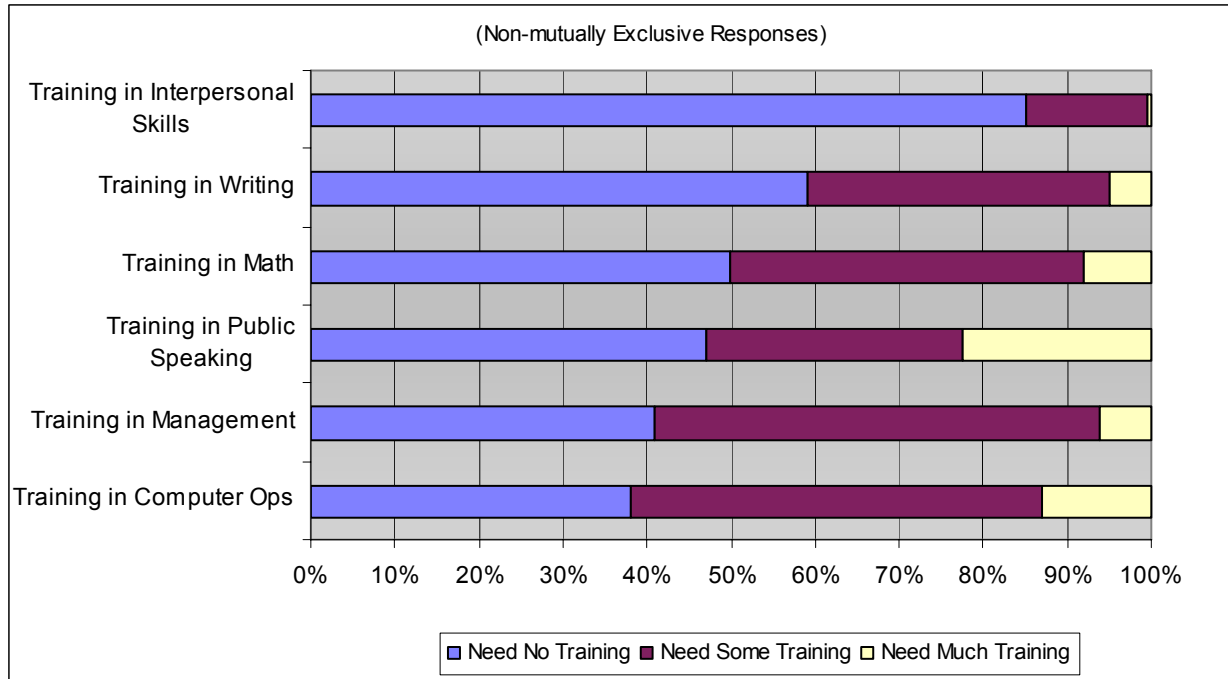


Figure 9 (next page) and Table 4 (next page) show responses to questions regarding job satisfaction. The figure and table report responses from working survey respondents only. The figure shows that about 45% of the working ALP respondents “strongly agree” with a statement suggesting that they have a “generally positive work environment,” while about 44% “mildly agree” with that statement<sup>3</sup>.

About 85% of the working ALP respondents indicate that they “strongly agree” or “mildly agree” with a statement regarding the enjoyment of their work, while nearly the same percentage (84%) “strongly agree” or “mildly agree” they have a reasonable work load. More than 70% of the respondents to this question suggest that they “strongly agree” or “mildly agree” with statements regarding a fair chance at pay increases and receiving fair pay for the work they perform.

<sup>2</sup> The responses shown in Figure 8 are ordered by “need no training” percentages.

<sup>3</sup> 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.” About a third (34%) of the respondents indicate that they “mildly disagree” with this statement and almost 37% suggest that they “strongly disagree.”

**Figure 9: Job Satisfaction Among Working ALP**

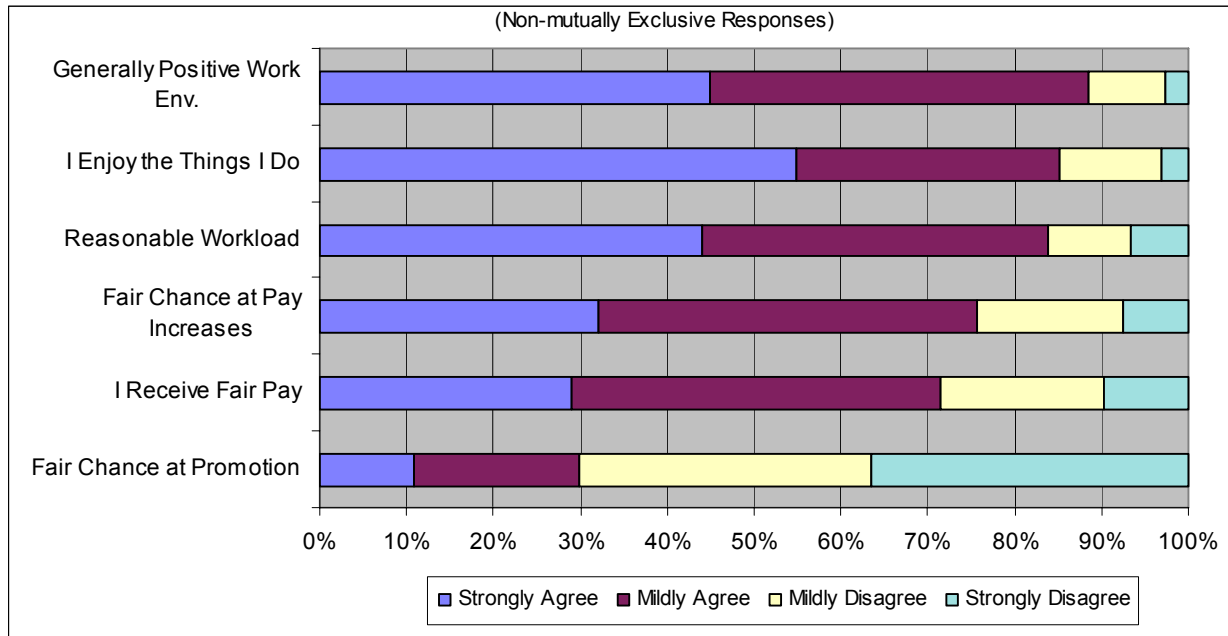


Table 4 shows combined “strongly agree” and “mildly agree” percentages only. The table also shows the responses of ALP members and non-ALP members. The table suggests that slightly more than 88% of the working ALP member “strongly agree” or “mildly agree” with the statement regarding a generally positive work environment. Slightly more than 98% of the survey respondents that are working non-ALP members suggest the same.

Regarding having a “fair chance for promotion,” slightly less than 30% of the working ALP members indicated that they strongly or mildly agree with that statement. As for working non-ALP members, 45% 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
Generally Positive Work Env.	88.4	98.3
I Enjoy the Things I Do	85.2	96.9
Reasonable Workload	83.9	94.7
Fair Chances at Pay Increases	75.6	78.0
I Receive Fair Pay	71.5	71.5
Fair Chance at Promotion	29.8	45.0

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 54,211 (88%) members of the ALP in the Hutchinson Labor Basin are willing to accept positions outside of their primary fields of employment.

**Figure 10: Willing to Work Outside of Primary Field**

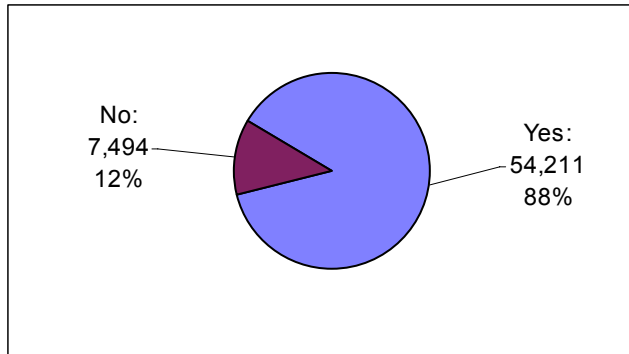


Table 5 and Figure 11 suggest that the ALP in the Hutchinson Labor Basin is open to commuting. About a quarter (25.9%) of the members of the Available Labor Pool will commute up to 45 minutes, one way, for an employment opportunity. Almost three-quarters (73.1%) will commute up to 30 minutes for employment, and about 97% will travel up to 15 minutes for employment.

**Table 5: Available Labor by Commute Minutes**

	Number	Cumulative Percent
More than 60 Minutes	275	0.4
Up to 60 Minutes	6,020	9.8
Up to 55 Minutes	6,231	10.1
Up to 50 Minutes	6,506	10.5
Up to 45 Minutes	16,007	25.9
Up to 40 Minutes	19,093	30.9
Up to 35 Minutes	19,573	31.7
Up to 30 Minutes	45,136	73.1
Up to 25 Minutes	48,088	77.9
Up to 20 Minutes	56,737	91.9
Up to 15 Minutes	59,768	96.9
Up to 10 Minutes	60,548	98.1
Up to 5 Minutes	61,705	100.0

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

**Figure 11: Available Labor by Commute Minutes**

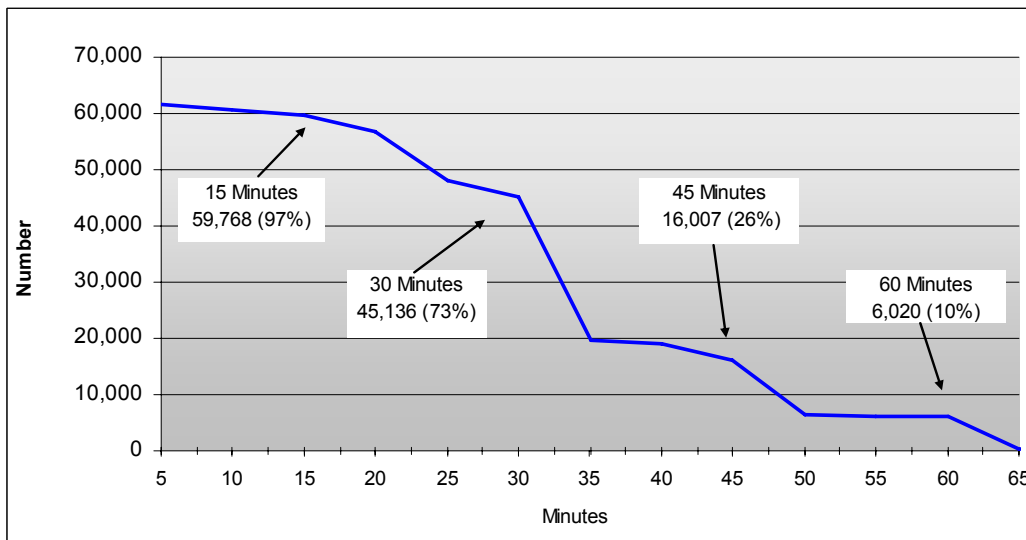


Figure 12 shows various benefits affecting the decisions of current workers to take a different job and potential workers to take a new job. The five most important benefits, in order, are good salary or hourly pay, good retirement benefits, good health benefits, on-the-job (OJT) or paid training, and good vacation benefits. Each of these five received 80% or more support from survey respondents.

**Figure 12: Benefits Very Important to Change Employment**

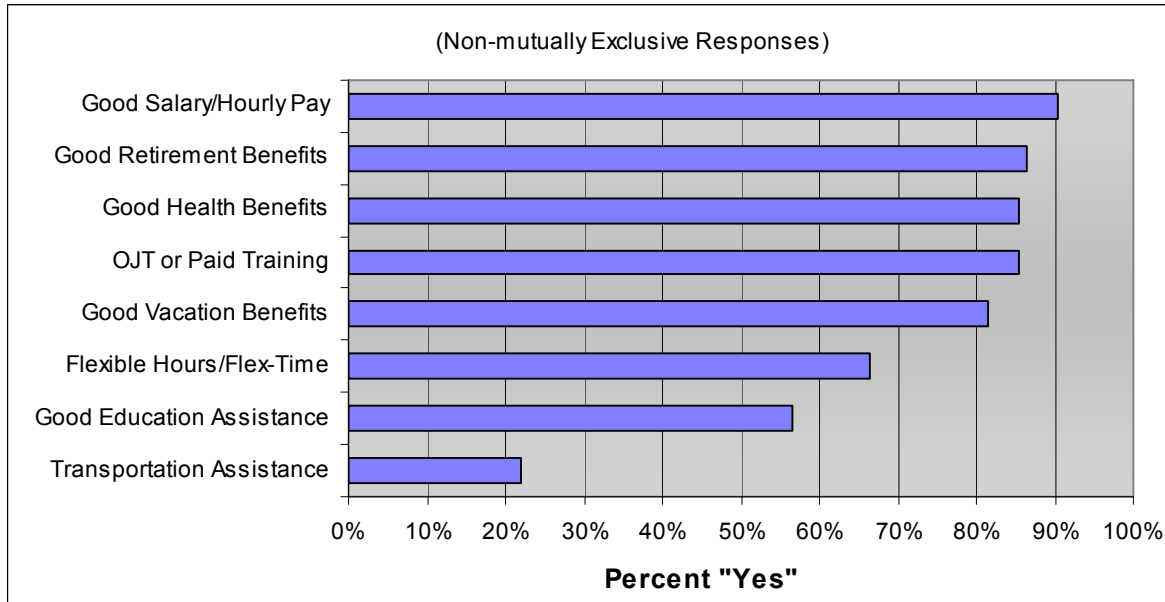


Table 6 lists some of these benefits, as well as percentages of working ALP members that are currently offered these benefits. The figures in the left percent column indicate the percentages of all ALP members that suggest a benefit is an *important* consideration in taking a new or different job, while 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	86.5	80.0
Good Health Benefits	85.5	86.1
OJT or Paid Training	85.4	79.2
Good Vacation Benefits	81.5	85.7
Flexible Hours/Flex-Time	66.3	53.8
Good Education Assistance	56.6	51.0
Transportation Assistance	22.0	14.9

\* 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)**

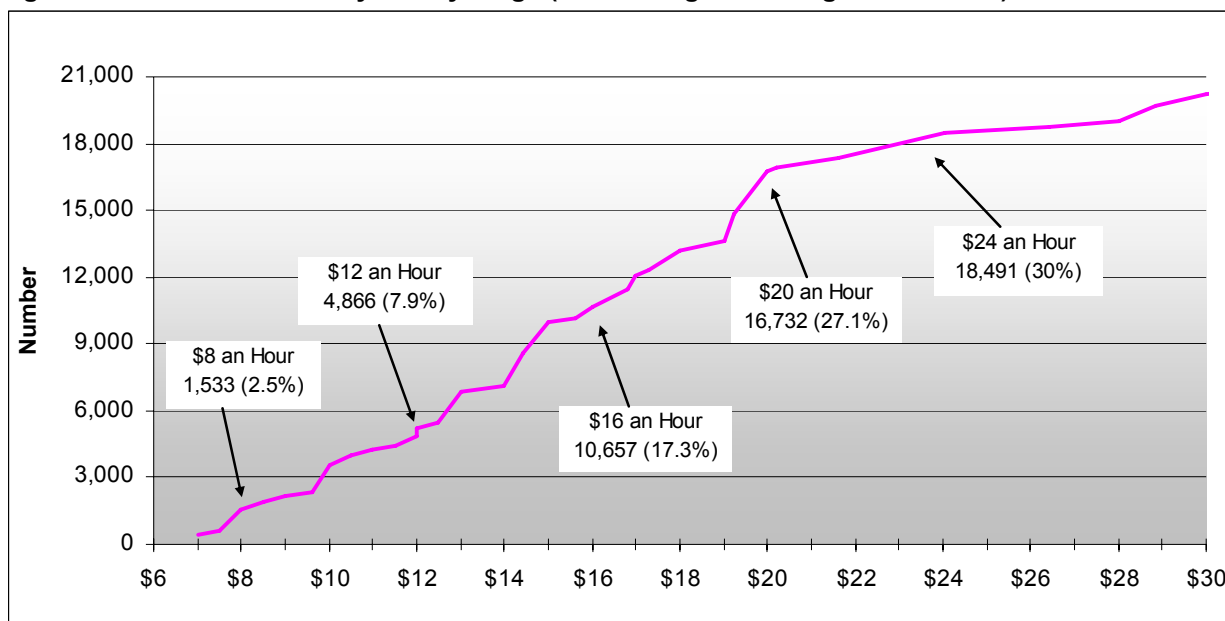


Figure 13 shows the wage demands for the ALP members that are “willing to commute.” It is estimated that 18,491 people (or 30% of the entire ALP) are interested in a new job at \$24 an hour<sup>4</sup>. Approximately 16,732 (or 27.1%) members of the labor pool are interested in new employment opportunity at \$20 an hour, while 10,657 (or 17.3%) are interested at \$16 an hour. Finally, about 4,866 people (or 7.9%) are interested in a new job at \$12 an hour and 1,533 (or 2.5%) at \$8 an hour.

Figure 13 suggests the obvious: that the higher the wage, the larger the pool of available labor. For example, 3,560 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 4,866 members. This represents an increase of 1,306 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 2,140 members of

<sup>4</sup> See Appendix II for an hourly wage/annual salary conversion chart.

available labor are interested in a job at \$9.00 an hour. At \$9.50 an hour there are approximately 2,300 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 160 individuals. Similarly, there are about 6,700 individuals available at \$13.00 an hour but only about 200 more available at \$14.00 an hour. Finally, there are about 9,975 individuals available at \$15.00 an hour but only about 125 more available at \$15.50 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 14% 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. More than a quarter (27%) is available for new employment at a wage of \$15 an hour or more. Of the skilled laborers, 12% are available at \$15 an hour or more, while no skilled blue-collar workers that are willing to commute the necessary distance are available \$12 an hour or less.

Slightly more than a fifth (21%) of the service workers willing to commute is available at \$9 an hour or more, while 36% are available at \$12 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 rather large for each of these subsets of the ALP; these findings are only speculative.

**Table 7: Cumulative Wage Demands for Occupational Sectors**

	General Labor		High Skilled Labor		Service Sector		Professional/Sales	
	(N= 25 ) (+/- 19.5% MoE)		(N= 9.4 ) (+/- 32.0% MoE)		(N= 22.2 ) (+/- 20.8% MoE)		(N= 26.8 ) (+/- 18.9% MoE)	
	Number	Cumulative	Number	Cumulative	Number	Cumulative	Number	Cumulative
\$30 or More	7,168	100%	2,652	100%	6,280	100%	7,572	100%
Up to \$30	6,534	91%	1,444	54%	6,280	100%	5,014	66%
Up to \$27	6,534	91%	1,444	54%	6,015	96%	4,454	59%
Up to \$24	6,269	87%	1,444	54%	5,527	88%	3,657	48%
Up to \$21	6,004	84%	1,444	54%	5,527	88%	3,392	45%
Up to \$18	3,734	52%	619	23%	5,218	83%	1,873	25%
Up to \$15	1,956	27%	309	12%	4,644	74%	487	6%
Up to \$12	997	14%	0	0%	2,266	36%	0	0%
UP to \$9	0	0%	0	0%	1,291	21%	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= 54.6 ) (+/- 13.3% MoE)		(N= 59.2 ) (+/- 12.7% MoE)	
	<i>Number</i>	<i>Cumulative</i>	<i>Number</i>	<i>Cumulative</i>
\$30 or More	13,219	100%	14,316	100%
Up to \$30	12,677	96%	13,775	96%
Up to \$27	12,180	92%	13,277	93%
Up to \$24	11,745	89%	12,634	88%
Up to \$21	11,518	87%	12,408	87%
Up to \$18	8,897	67%	9,786	68%
Up to \$15	6,879	52%	7,504	52%
Up to \$12	3,825	29%	4,241	30%
UP to \$9	1,723	13%	1,931	13%
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.

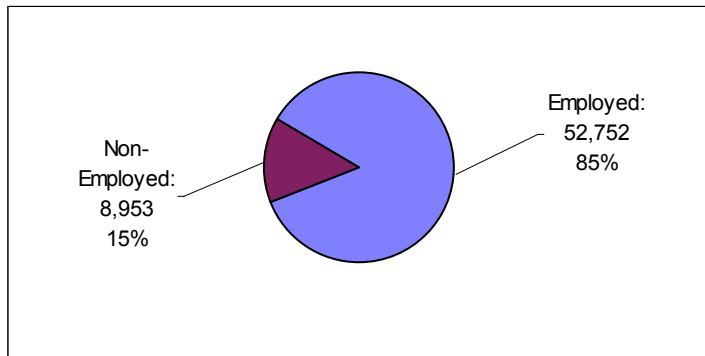
High-skilled blue-collar workers and professional white-collar workers are *excluded* from Table 8 because it is presumed that, as a general rule, people in occupations such as Doctors, Lawyers, Engineers, Professors, Machinists, Electricians, etc... are unlikely to transfer into lower-skilled general 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 Hutchinson 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 52,752 *employed members* of the ALP (shown in Figure 14), 44% answered “yes” to one or more of the questions presented above (see Figure 15). These 23,381 working members of the ALP are considered underutilized.

**Figure 14: Employed Members of the Available Labor Pool**



**Figure 15: Underutilized Workers**

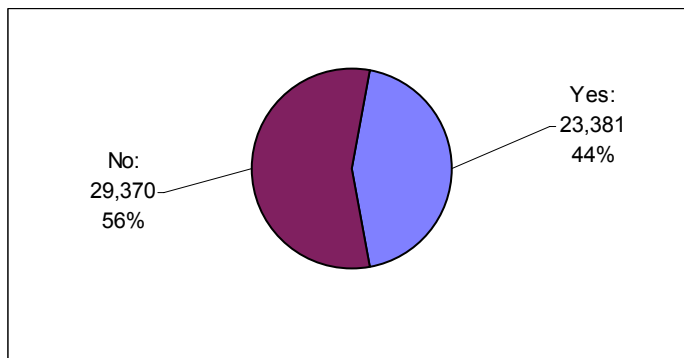


Figure 16 shows the percentages of the positive responses (i.e., “yes” answers) to the various measures of underutilization. About 36% of this subset of the ALP suggest that they possess skills that are not being used on the job, while 35% consider themselves underutilized because their education levels exceed those needed for their current jobs. Twenty-one percent had a previous job that provided more income, while about 12% suggest they are not able to work enough hours.

**Figure 16: Reasons for Underutilization**

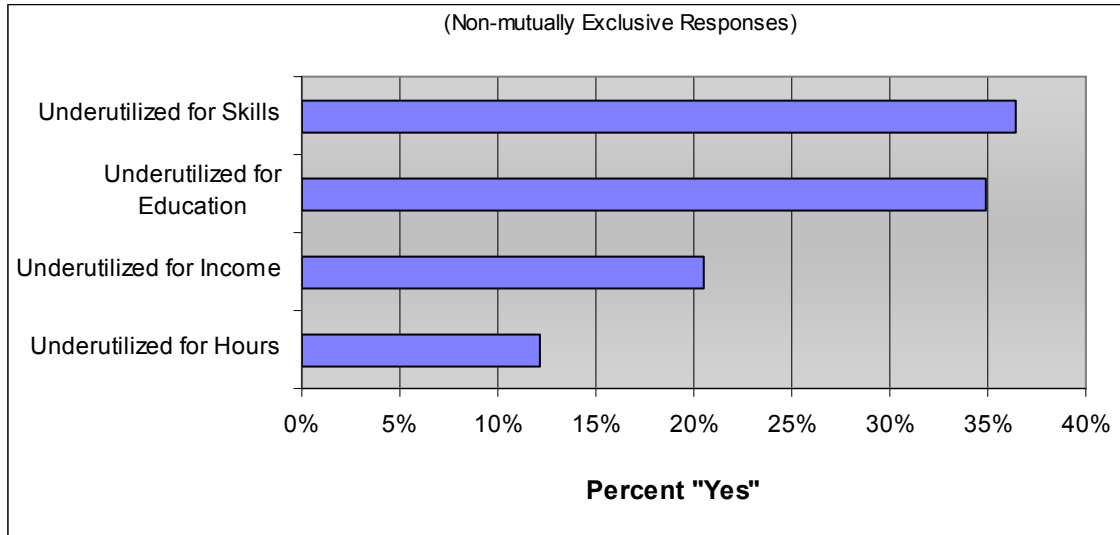


Table 9 and Figure 17 (next page) show some characteristics of the underutilized members of the ALP. Table 9 indicates that the education level of the underutilized workers compares to that of the overall ALP, with about 76% having at least some college education and 46% having completed associate’s degrees. (Table 1 shows that about 75% of the entire ALP have some college experience and 49% having completed associate’s degrees).

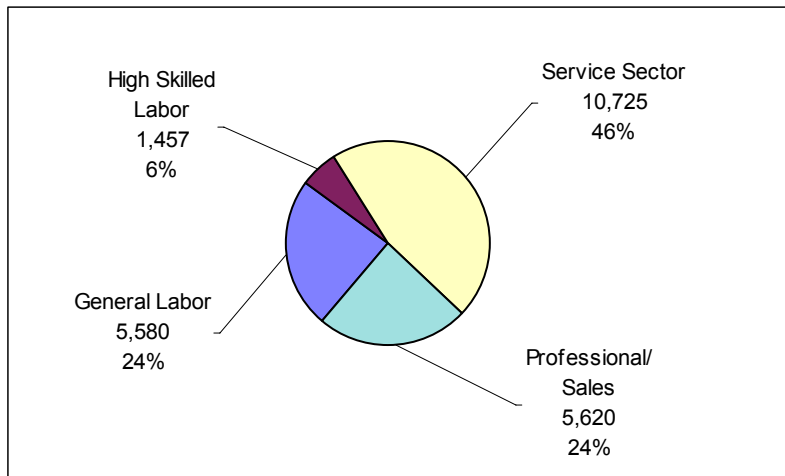
**Table 9: Highest Level of Education Achieved Among Underutilized**

	Number	Percent	Cumulative Percent
Doctoral Degree	232	1.0	1.0
Masters Degree	2,027	8.7	9.7
Bachelors Degree	5,344	22.9	32.5
Associates Degree	3,155	13.5	46.0
Some College	6,951	29.7	75.7
High School Diploma Only	4,344	18.6	94.3
Less HS Diploma	1,328	5.7	
Total	23,381	100	

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

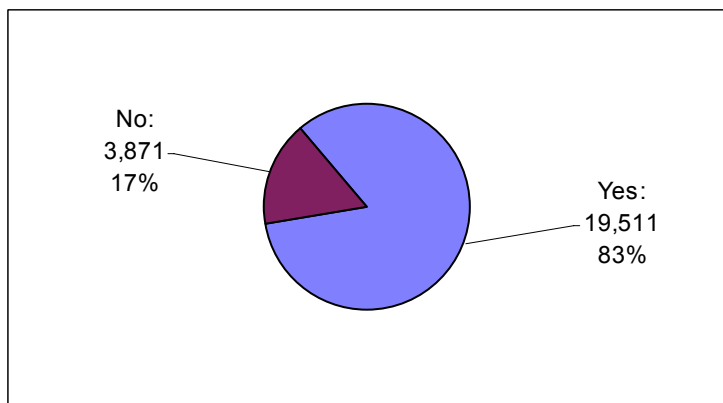
Figure 17 shows that 24% of the underutilized workers are employed as general laborers and 6% are employed as highly skilled blue-collar workers. Most underutilized workers are employed as service sector and support workers (46%), although almost a quarter (24%) hold professional positions.

**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 substantial portion – 83% (or 19,511 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 Hutchinson Labor Basin has a total population of approximately 336,702 and a Civilian Labor Force (CLF) of 182,128. The Docking Institute's analysis suggests that the basin contains an Available Labor Pool (ALP) of 61,705 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 Hutchinson 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 Pool<sup>5</sup>." 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 CLF<sup>6</sup>. Secondly, the number of potential workers is then

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<sup>5</sup> 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).

<sup>6</sup> 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 Hutchinson Labor Basin includes 61,705 individuals; this represents a sizeable number of workers and potential workers for employers to draw upon in the Hutchinson Labor Basin.

### **Survey Research Methods**

Data for this study was collected from a random digit telephone survey<sup>7</sup> of adults living in seven counties in south central Kansas. Surveying took place from March 5, 2007 to May 5, 2007, using a Computer Assisted Telephone Interviewing (CATI) system. A total of 1,697 households were successfully contacted during the data collection period, and a randomly selected adult<sup>8</sup> in each was asked to participate in the study. In 1,057 households the selected adult agreed to be interviewed. This represents a cooperation rate of 62.3% and a margin of error of +/-3.0%.

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 792, and are considered eligible respondents. Of the 792 cooperating and eligible respondents, 32.2% (or 255) 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 Hutchinson Labor Basin. Responses from 255 individuals provides a margin of error of +/- 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 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.

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<sup>7</sup> 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.

<sup>8</sup> 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	1,766	2.9
Farm Labor/Ranch Hand/Landscaping	0	0.0
Delivery/Driver/Courier	1,842	3.0
Maintenance/Wiring/Plumbing	2,772	4.5
Factory Worker/Grain Elevator Op/Meat Packer	2,294	3.7
Truck Driver/Heavy Equipment Operator	2,132	3.5
Police/Fire/Postal/Military Enlisted	1,879	3.0
Mechanic/Welder/Carpenter/Electrician	1,482	2.4
Lab or Medical Technical/Comp Technician	1,037	1.7
Other Blue Collar	0	0.0
General Customer Service/Retail/Reception/Food Service	5,090	8.2
Clerical/Secretary/Book-Keeper/Bank Teller	4,615	7.5
Para-legal/Para-pro/CNA/Day Care	2,312	3.7
Nurse/LPN/RN/Semi-skilled Social Service	2,949	4.8
Office Manager/Small Business Owner	3,619	5.9
Teacher/Instructor/Writer/Researcher	6,317	10.2
Sales/Marketing/Accounting	7,998	13.0
Govt, Non-Profit, or Bus Exec/Farm Owner/Military Officer	0	0.0
Counselor/Social Worker/Physician's Assistant	1,790	2.9
Professor/Doctor/Engineer/Attorney	2,702	4.4
Other White Collar	209	0.3
Homemaker	3,823	6.2
Full-Time Student	431	0.7
Unemployed	2,532	4.1
Retired	1,842	3.0
Disabled	272	0.4
<b>Total</b>	<b>61,705</b>	<b>100</b>

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