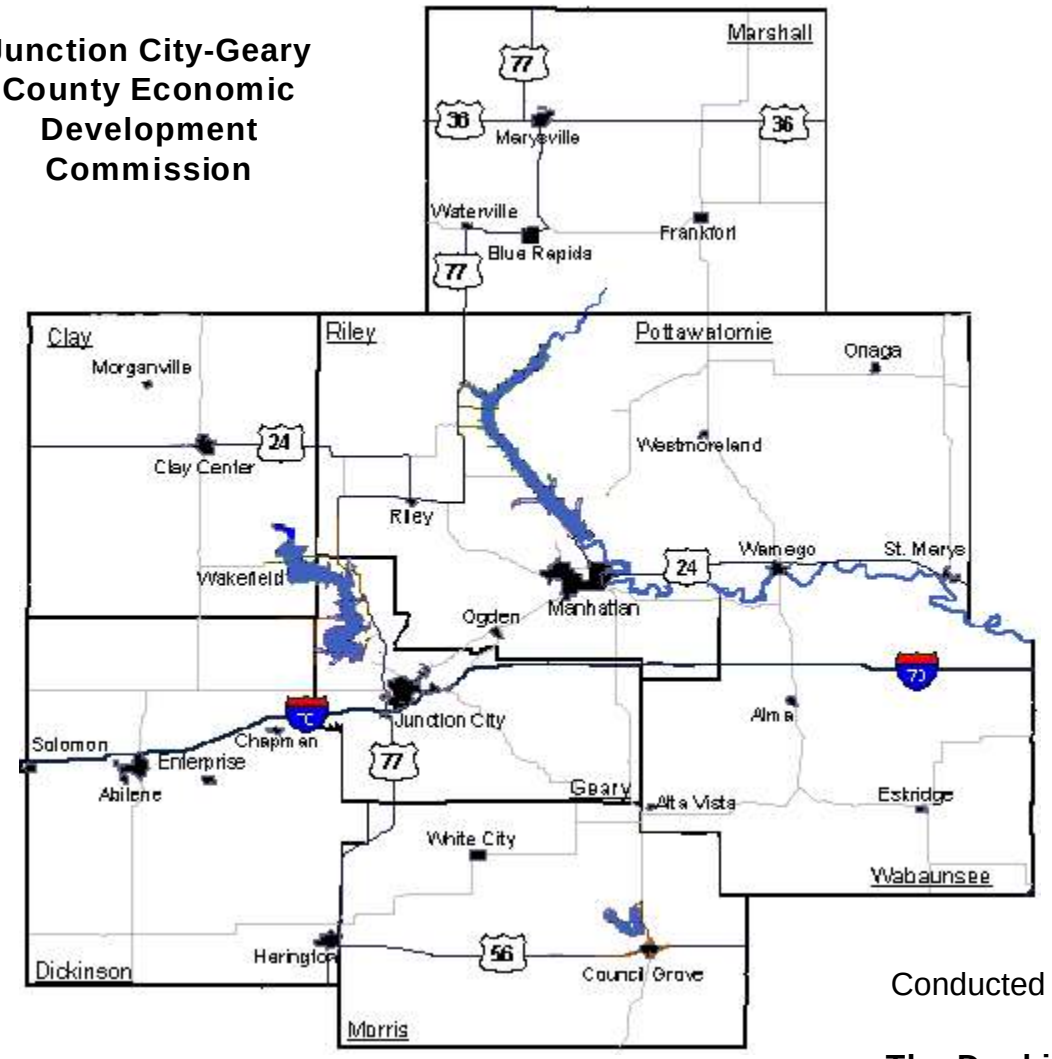
Junction City-Geary County Labor Basin

Labor Availability Analysis

Clay | Dickenson | Geary | Marshall | Morris
Pottawatomie | Riley | Wabaunsee

Conducted For

Junction City-Geary County Economic Development Commission



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Junction City-Geary County Labor Basin
Labor Availability Analysis
Executive Summary

The Junction City-Geary County Labor Basin encompasses eight counties in northeastern 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:

- There is an Available Labor Pool in the Junction City Labor Basin of 37,033. It is estimated that 2,416 non-employed and 6,627 employed workers are seeking new employment, while 27,990 would consider changing employment for the right opportunities.

- Almost three-quarters (73.3%) of the Available Labor Pool has at least some college education, while almost all (98%) have at least a high school diploma.

- Almost all of the members (98%) of the Available Labor Pool will commute 15 minutes or less, one way, for an employment opportunity, and about 26,469 (or almost 72% of the available labor) will travel 30 minutes or less for employment.

- About 18,330 members (or almost 50%) of the Available Labor Pool are interested in a new job if offered $14.00 an hour. About 15,915 members (more than 40%) of the available labor are interested in a new opportunity at $12.00 an hour, and about 11,800 members (32%) are interested in new employment at $10.00 an hour.

- When limiting the Available Labor Pool to those willing to commute the distance to Junction City, the available labor for a blue-collar employer offering $16.00 an hour is almost 9,440 workers. At $14.00 an hour the available labor is 7,260 workers, at $12.00 an hour the available labor is slightly more than 5,850, and at $10.00 an hour there are about 4,590 workers available.

- When limiting the Available Labor Pool to those willing to commute the distance to Junction City, a non-professional service sector employer offering $16.00 can expect to find about 10,515 workers available. At $14.00 there are about 7,920 workers available, and at $12.00 an hour there are about 6,260 workers available, and at $10.00 an hour there are about 4,860 workers available.

- More than a quarter, (or about 10,260 workers) of the entire Available Labor Pool, consider themselves underutilized. Of these workers, almost 97% have high school diplomas and nearly three-quarters (72.4%) have some college experience.

Junction City-Geary County Labor Basin
Labor Availability Analysis

The Junction City-Geary County Labor Basin (referred to from now on as the Junction City labor basin) encompasses eight counties in northeastern Kansas (see Map 1 on next page). The criteria used to include a county in this labor basin is whether it has a significant border adjacent to Geary County in which Junction City is located, or whether the county is sufficiently isolated to suggest its residents would commute to Junction City for an employment opportunity (e.g., Marshall County).

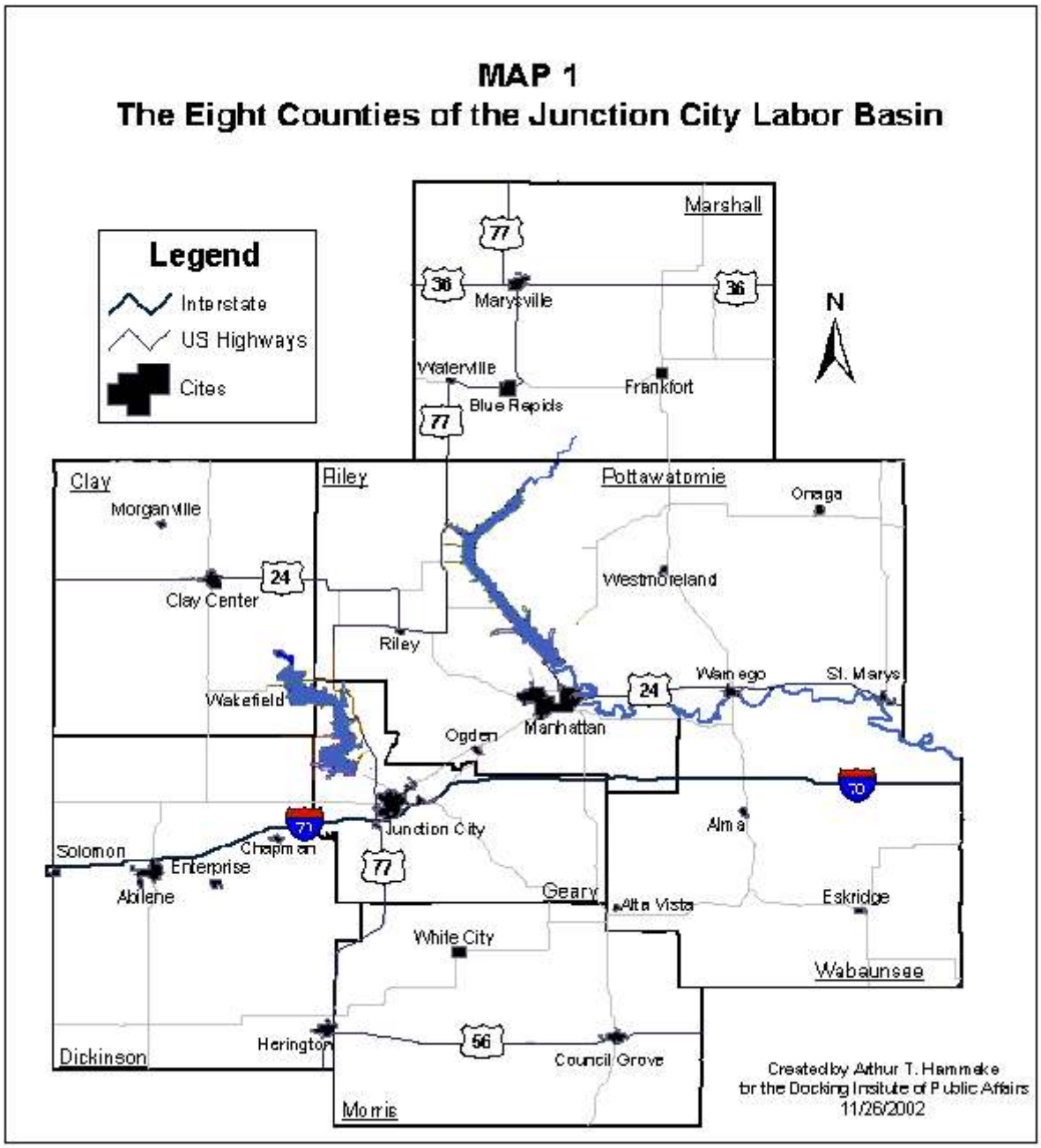
The Junction City labor basin has a total population of approximately 157,156 and a Civilian Labor Force (CLF) of 77,926. There is an unemployment rate of 4.1%, but there is also an ample supply of available labor to support a major new employer. The Docking Institute's independent analysis of this labor basin shows that, of the civilian labor force, there are 9,043 workers and non-workers (11.6% of the CLF) who are seeking new employment and 27,990 (36% of the CLF) 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 Junction City Labor Basin is 77,926 workers.

While a review of CLF statistics represents the starting point for understanding the labor force in and around Junction City, 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. In sum, aggregate CLF-type data simply cannot reveal detailed aspects of a labor pool that might be available for new employment opportunities.


MAP 1
The Eight Counties of the Junction City Labor Basin
Legend
Interstate
US Highways
Cites
N
Marshall
Marysville
Waterville
Blue Rapids
Frankfort
Clay
Morganville
Clay Center
Riley
Pottawatomie
Onaga
Westmoreland
Wamego
St. Marys
Wakefield
Manhattan
Ogden
Junction City
Solomon
Chapman
Enterprise
Abilene
Alma
Geary
Alta Vista
Eskridge
White City
Wabaunsee
Dickinson
Herington
Council Grove
Morris
Created by Arthur T. Hammeke
for the Docking Institute of Public Affairs
11/26/2002

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 Junction City Labor Basin is 37,033 workers.

The Junction City Labor Basin's Available Labor Pool

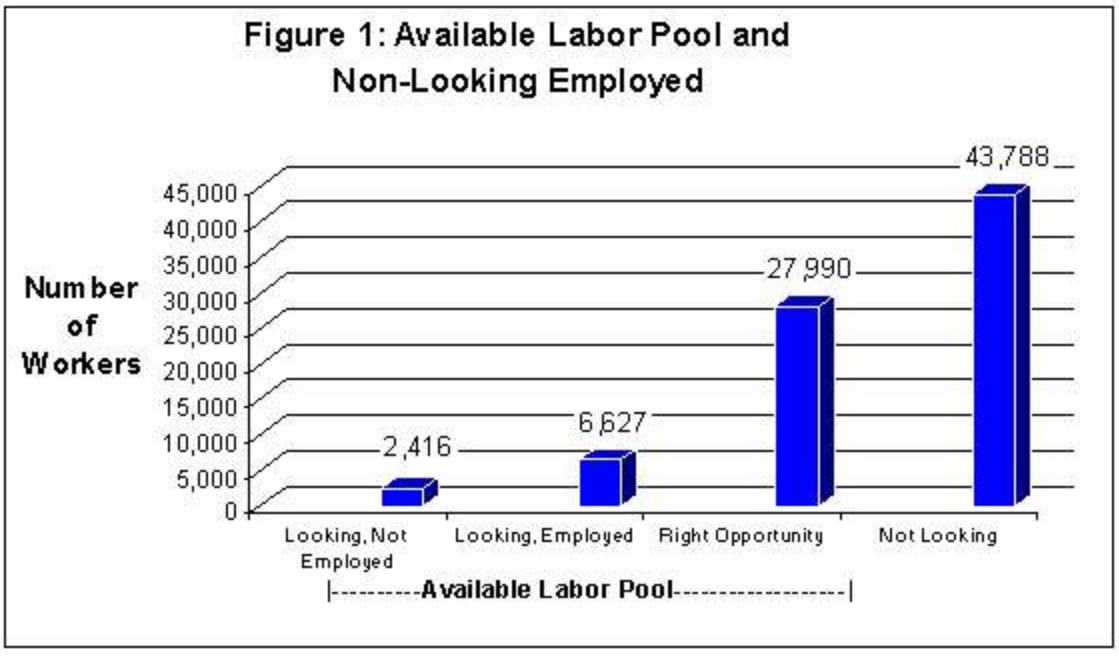
This section assesses the characteristics of the Available Labor Pool in the Junction City Labor Basin by answering the following questions: 1) What proportion of the labor force—employed, unemployed, homemaker, military, student, and retired—would seriously consider applying for a new employment opportunity? 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?

[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 792 employed, non-employed, and retired adults living in the Junction City Labor Basin. When all 792 respondents are included in the analysis, the survey findings have a margin of error of +/- 3.5%. The margin of error for subgroups is higher. Most of these analyses are based on a subgroup of respondents who are members of the Available Labor Pool (see definition above). For these 279 respondents, the survey has a margin of error of +/- 5.8%. 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 Junction City Labor Basin of 37,033. It is estimated that 2,416 unemployed[1] and 6,627 currently employed workers are seeking new employment, while 27,990 would consider changing employment for the right opportunities. Figure 1 also shows that 43,788 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.



[1] "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 various occupations categories for these 37,033 potential employees. Traditional blue-collar jobs represent 28% of the Available Labor Pool. Included in this blue-collar category are more than 4,870 general laborers (13% of the total Available Labor Pool). Traditional customer services and social service related occupations represent 38% of the Available Labor Pool, while professional white-collar occupations comprise another 26%. Finally, students, the unemployed, homemakers, and retired individuals represent almost 8% of the Available Labor Pool.

Table 1: Occupation

	Number	Percent
Mechanic, Welder	2,445	6.6
Farmer, Agricultural Worker	1,367	3.7
Factory Worker, Meat Packer	1,676	4.5
General Labor	4,872	13.2
Governmental, Business, and other Professional	5,409	14.6
Clerical	2,838	7.7
Educator or Professor	4,273	11.5
Other White Collar	2,931	7.9
Social Service (e.g.health,babysitting)	4,170	11.3
Sales,Hotel,Restaurant,Food Service	3,155	8.5
Military	1,047	2.8
Homemaker and Retirees	669	1.8
Full- or Part-Time Student	1,392	3.8
Unemployed	789	2.1
Total	37,033	100.0

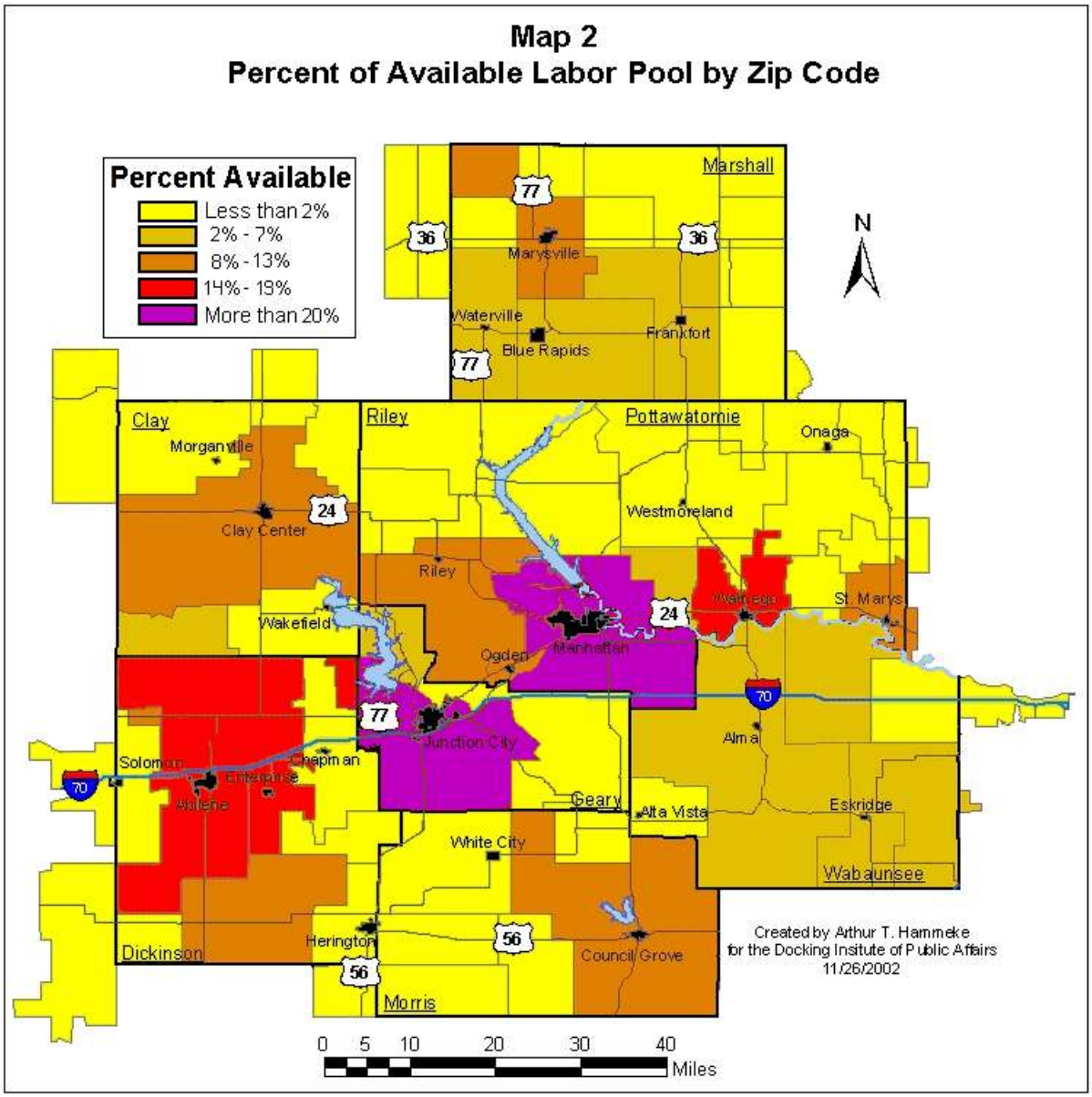
Table 2 shows the gender, age statistics, and educational levels of these 37,033 workers. Approximately 51% are women, and the average year born is 1963, making the average age 39 years old. The lower average than median is indicative of university settings. The educational levels of the Available Labor Pool are very high. Almost three-quarters (73.3%) of the available workers have at least some college education, while almost all (98%) workers have at least a high school diploma.

Table 2: Age, Gender, and Education Level

Age			
	Year Born		
Average	1963		
Median	1961		
Gender			
	Number	Percent	
Female	18,822	50.8	
Male	18,210	49.2	
Total	37,033	100.0	
Highest Level of Education Achieved			
	Number	Percent	Cum. Percent
Doctoral Degree	667	1.8	1.8
Masters Degree	3,740	10.1	11.9
Bachelors Degree	7,983	21.6	33.5
Associates Degree	4,332	11.7	45.2
Some College	10,421	28.1	73.3
High School Diploma Only	9,163	24.7	98.0
Less HS Diploma	726	2.0	100.0
Total	37,033	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 Junction City 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 Junction City Labor Basin are located around Junction City and Manhattan.

Map 2
Percent of Available Labor Pool by Zip Code



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 Junction City Labor Basin. Table 3 indicates that 86.3% of the Available Labor Pool, or about 31,941 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	31,941	86.3
No	5,091	13.7
Total	37,033	100.0

Figure 2 and Table 4 (next page) indicate that the Available Labor Pool in the Junction City Labor Basin is open to commuting. About 96% of the workers in the Available Labor Pool will commute 15 minutes or less, one way, for an employment opportunity, and more that two-thirds (71.5% or about 26,469 workers) will commute 30 minutes or less for employment. About 9,923 workers (more than a quarter at 26.8% of the available labor) are willing to travel for 45 minutes for employment.

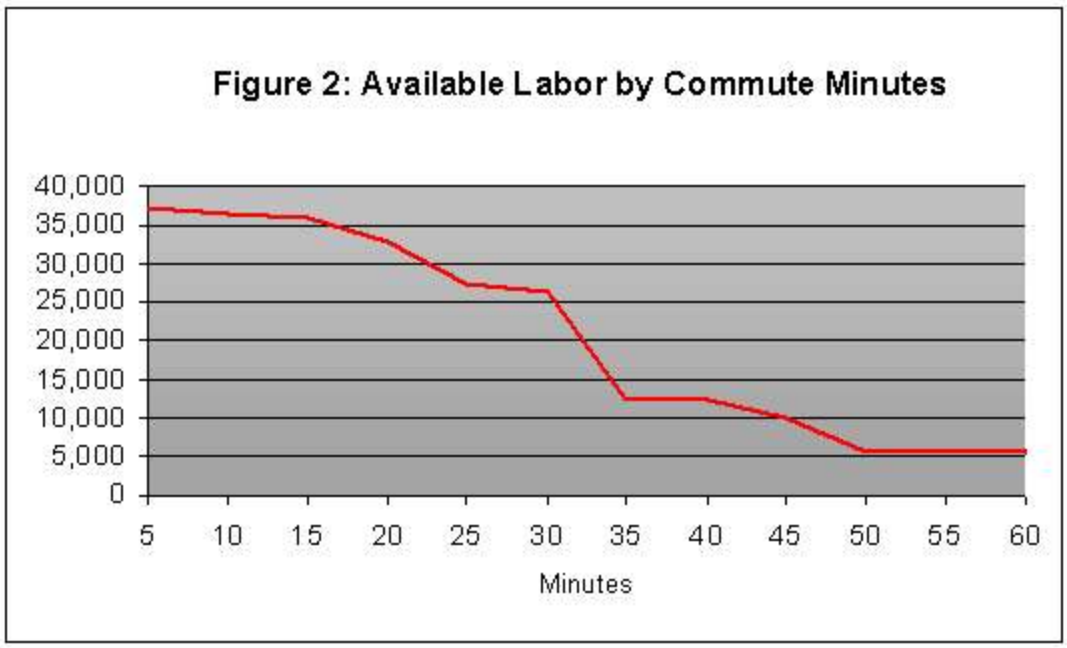


Table 4: Distance Available Labor Will Commute

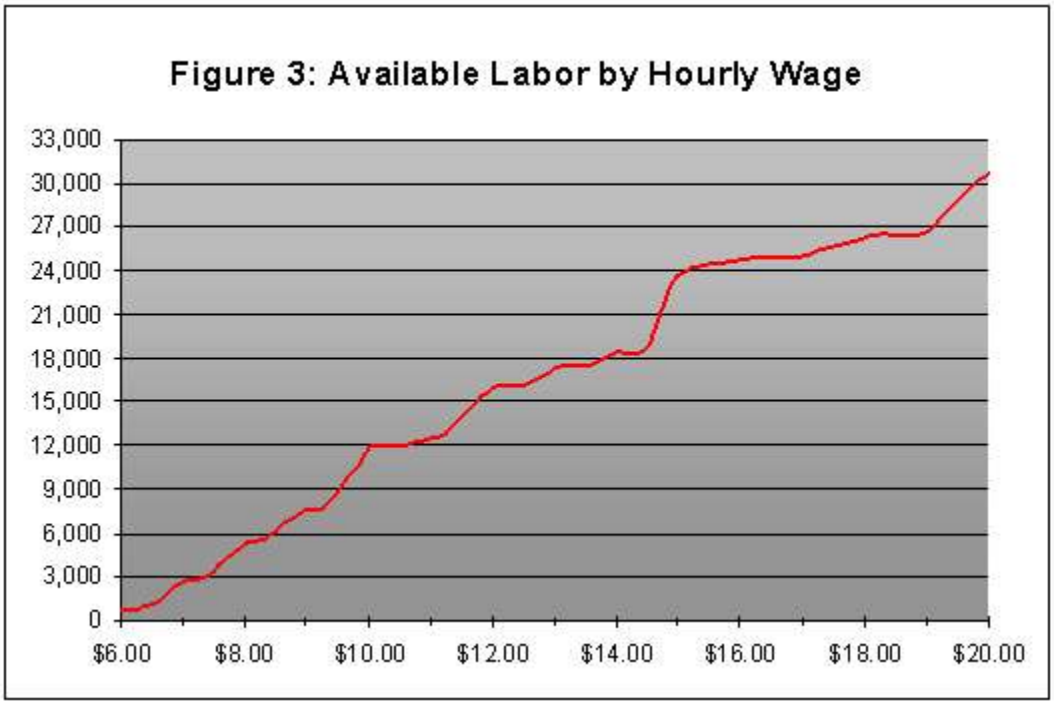
	Number	Cumulative Percent
More than 60 Minutes	4	0.0
60 Minutes or Less	5482	14.8
55 Minutes or Less	5568	15.0
50 Minutes or Less	5726	15.5
45 Minutes or Less	9923	26.8
40 Minutes or Less	12162	32.8
35 Minutes or Less	12248	33.1
30 Minutes or Less	26469	71.5
25 Minutes or Less	27267	73.6
20 Minutes or Less	32787	88.5
15 Minutes or Less	35620	96.2
10 Minutes or Less	36380	98.2
5 Minutes or Less	37033	100

Table 5 shows that the most important benefit affecting workers' decisions to leave their present job is higher pay (95.8%), followed by improved retirement benefits (70.4%), more flexible work hours (63.6%), on-the-job training (57.9%), and better health benefits (53.8%). Almost half (48.8%) suggests educational opportunities are very important considerations for a new job, and about a third (35.9%) desire to work in a different community. Transportation to work (27.4%), a job closer to home (25.6%), and on-site childcare (22.3%) did not find as much support among members of the Available Labor Pool.

Table 5: Benefit Very Important In Decision to Change Employment

	Percent Responding "Yes"
Salary	95.8
Retirement	70.4
Flexible Hours	63.6
On the Job Training	57.9
Health Benefits	53.8
Educational Opportunities	48.8
Different Community	35.9
Transportation to Work	27.4
Closer to Home	25.6
On-Site Childcare	22.3

Figure 3 shows the wage demands of the Available Labor Pool. About 24,785 members (or slightly more than 65%) of the Available Labor Pool are interested in a new job if offered $16.00 an hour. At $14.00 an hour, there are about 18,330 workers (or almost 50% of the available labor) available for a new job. About 15,915 workers (or more than 40%) are interested in a new opportunity at $12.00 an hour, while about 11,800 (32%) are interested in a new job at $10.00 an hour. At a rate of $8.00 an hour, about 5,150 people (or 14% of the Available Labor Pool) indicate interest in a new employment opportunity.



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:

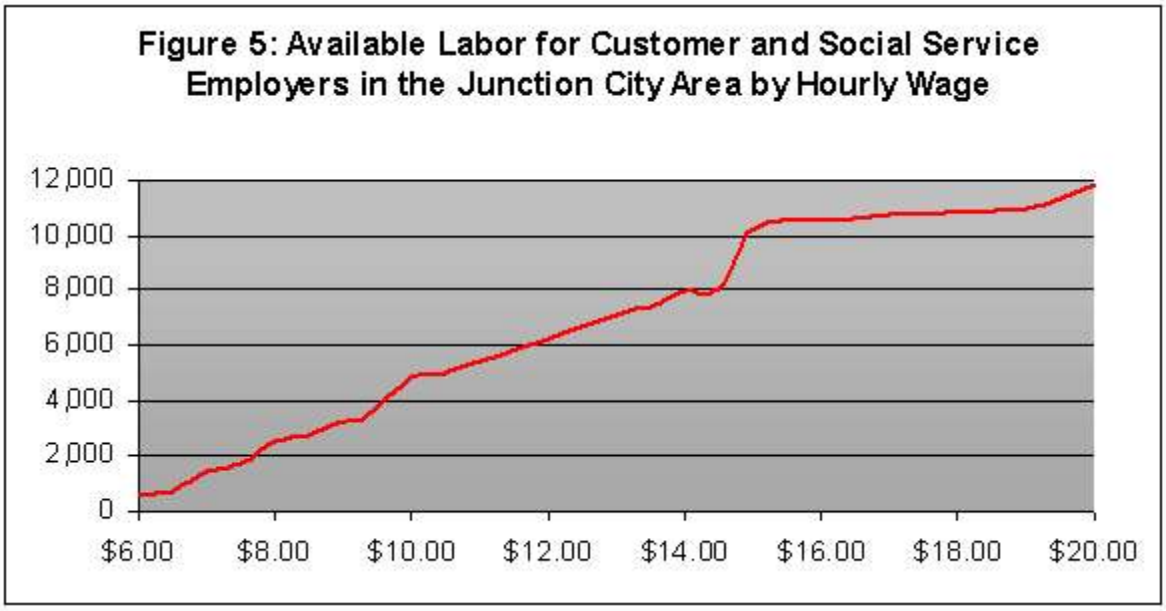
1) Are unwilling to commute the necessary time from his/her community to the center of the labor basin.
2) Have wage expectations exceeding $20.00 an hour.
3) Are unwilling to change their primary field of employment (for example: blue-collar to non-professional service sector worker).

Given these exclusions[2], 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 9,440 workers. At $14.00 an hour there are about 7,260 workers available. At $12.00 an hour the available labor is 5,850 workers, at $10.00 an hour the available labor is slightly more than 4,590, and at $8.00 an hour there are almost 2,260 workers available.

For a service sector employer offering $16.00 (see Figure 5 on next page), there are about 10,515 workers available. A $14.00 an hour, the available labor is almost 7,920. At $12.00 there are almost 6,260 available workers, at $10.00 an hour there are about 4,860 available workers, and at $8.00 an hour there are about 2,495 available workers.

[2] 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.



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 more than one-quarter (28%), or 10,263 workers, in the ***entire*** Available Labor Pool, consider themselves underutilized.

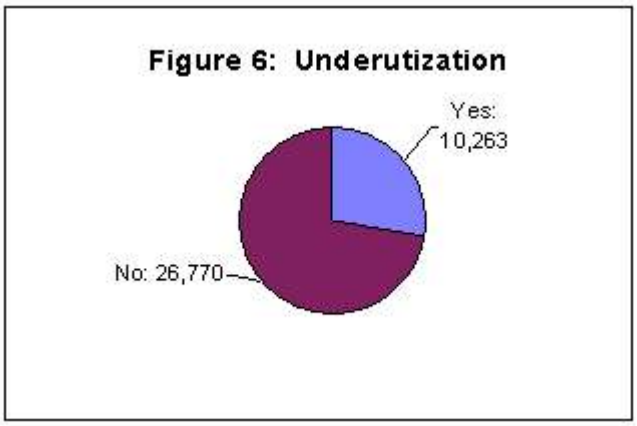


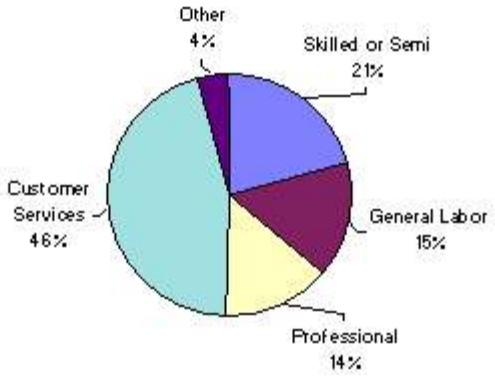
Table 6 shows the education levels of the 10,263 underutilized workers in the Available Labor Pool, with almost three-quarters (72.4%) having at least some college education. Almost all (97%) have a high school diploma.

Table 6: Highest Level of Education Achieved Among Underemployed

	Number	Percent	Cum. Percent
Doctoral Degree	0	0.0	0.0
Masters Degree	621	6.0	6.0
Bachelors Degree	1,955	19.1	25.1
Associates Degree	1,568	15.3	40.4
Some College	3,286	32.0	72.4
High School Diploma Only	2,517	24.5	96.9
Less HS Diploma	316	3.1	100.0
Total	10,263	100	

The underutilized workers also tend to be currently employed in areas of strong demand. Figure 7 illustrates that while only 15% of the underutilized workers are employed as general laborers, almost half (46%) are in customer service related occupations. Skilled workers represent 21% of the underutilized workforce, and 14% of those employed in professional positions consider themselves underutilized.

Figure 7: Occupational Groups of the Underutilized



Methodology

The findings from this study are based on a random digit telephone sample[3] of 792 adults living in Clay, Dickenson, Geary, Marshall, Morris, Pottawatomie, Riley, and Wabaunsee Counties in northeastern Kansas. Individuals were surveyed in Clay, Geary, Marshall, Morris, Pottawatomie, Riley, and Wabaunsee Counties from April 9 through April 25, 2002, and in Geary and Dickenson Counties from September 26 through October 16, 2002. A Computer Assisted Telephone Interviewing (CATI) system was employed during both interview periods.

A total of 1,093 households were successfully contacted during the phone survey, and in 795 of these households an adult who is working, unemployed, or retired agreed to do the interview. This represents a response rate of 73%.

As previously mentioned, the margin of error for the survey findings of the 792 respondents is +/- 3.5%. The margin of error for the Available Labor Pool is +/- 5.8%.

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.

[3] 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.