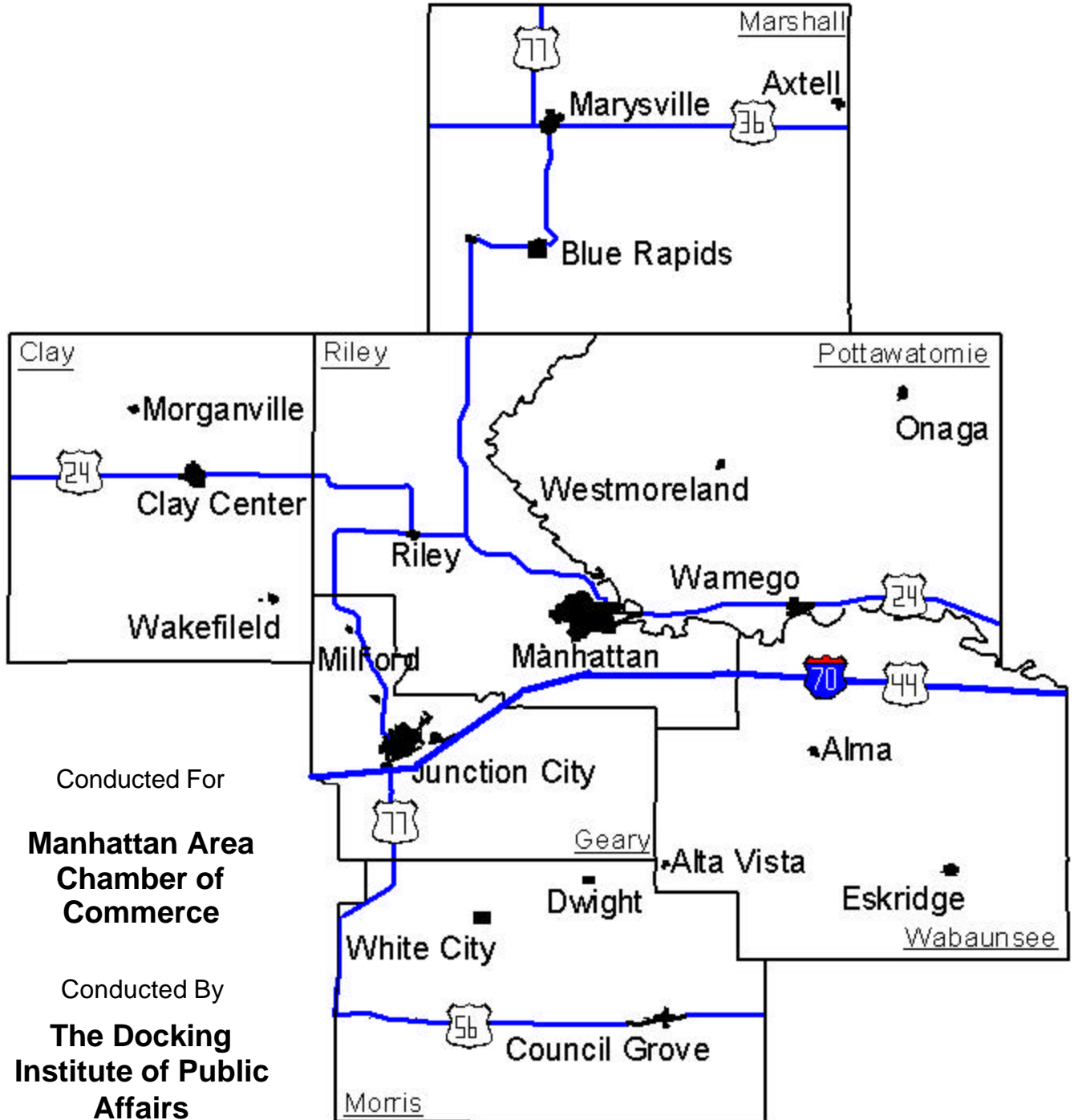


Manhattan Labor Basin

Labor Availability Analysis

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Manhattan Labor Basin Labor Availability Analysis Executive Summary

The Manhattan labor basin encompasses portions of seven 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 Manhattan Labor Basin of 30,147. It is estimated that 1,717 unemployed and 5,270 employed workers are seeking new employment, while 23,160 would consider changing employment for the right opportunities.
- Almost 98% of the Available Labor Pool have at least a high school diploma, more than 76% have at least some college education, while almost 37% have at least a bachelor’s degree.
- Almost 90% (or about 27,097) of the members of the Available Labor Pool will commute 15 minutes or less, one way, for an employment opportunity, and about 19,625 (or 65% of the available labor) will travel 30 minutes or less for employment.
- Almost 86% of the members of the Available Labor Pool indicate that they would consider accepting jobs outside of their primary field of employment.
- About 14,920 people (or almost 50% of the Available Labor Pool) are interested in a new job if offered \$14.00 an hour, while 13,060 members (43%) of the Pool are interested in a new job offering \$12.00 an hour. Almost 9,725 members, or about 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 Manhattan, the available labor for a blue-collar employer offering \$14.00 an hour is about 6,250 workers. At \$12.00 an hour the available labor is about 5,540 workers, and at \$10.00 an hour the available labor is almost 4,000.
- When limiting the Available Labor Pool to those willing to commute the distance to Manhattan, a service sector employer offering \$14.00 an hour can expect to find about 7,350 workers. At \$12.00 there are about 5,488 workers available, and at \$10.00 an hour there are almost 2,355.
- Less than a quarter (7,310) of the workers in the Available Labor Pool, consider themselves underutilized. Almost all (96%) have a high school diploma, a majority (76%) of these workers have at least some college education, while about a third (32.3%) have at least a bachelor’s degree.

Manhattan Labor Basin Labor Availability Analysis

The Manhattan labor basin encompasses portions of seven counties in northeastern Kansas (see Map 1 on next page). The criterion used to include a county in this labor basin is whether it has a significant border adjacent to Riley County in which Manhattan is located, or whether the county is sufficiently isolated to suggest its residents would commute to Manhattan for an employment opportunity (e.g., Morris County). The Manhattan labor basin has a total population of approximately 138,000 and a civilian labor force of 68,074. 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 5,272 potential workers (7.7%) who are actively seeking new employment and 23,160 (34%) workers who would consider employment for the right opportunity.

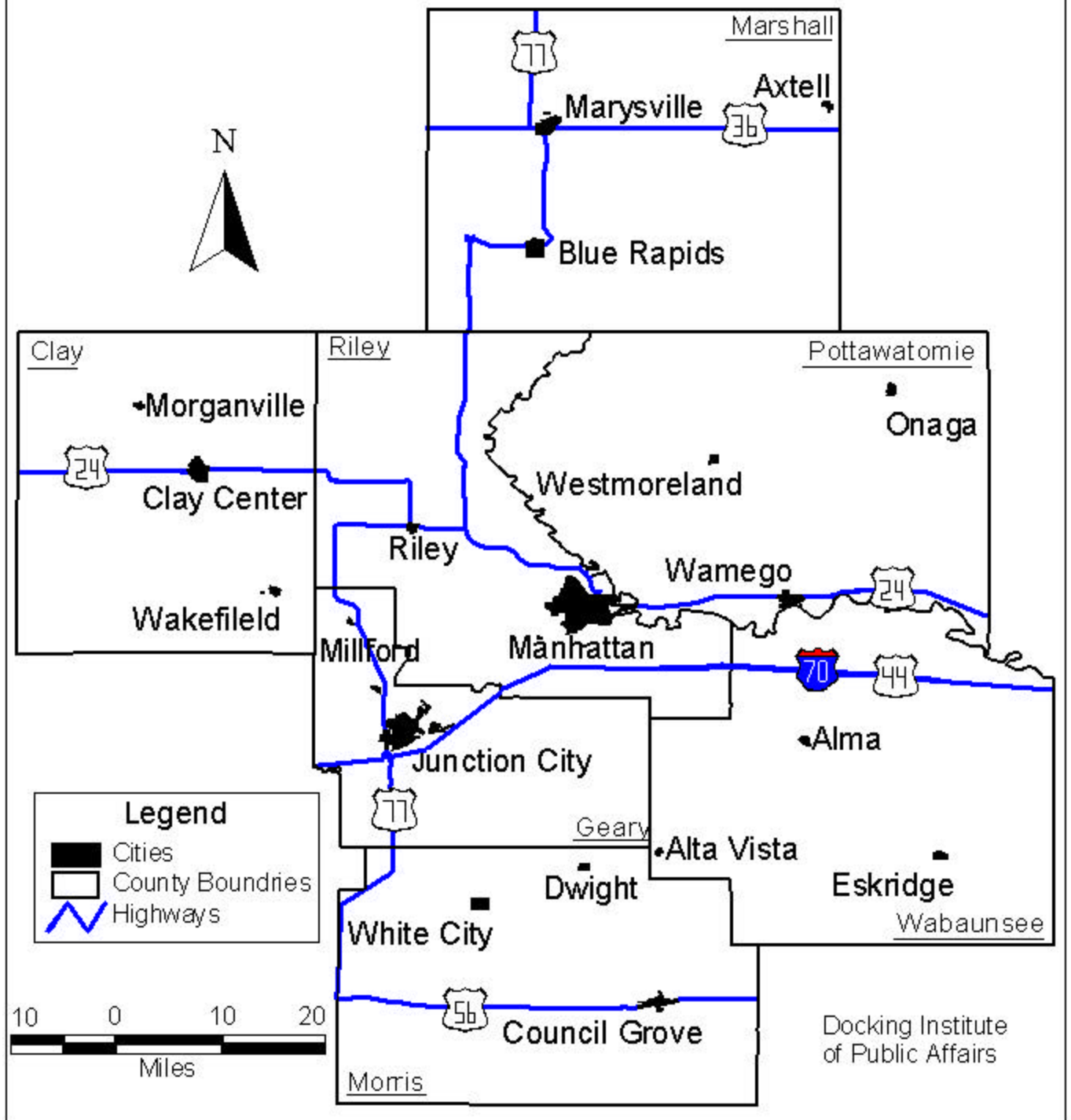
The Civilian Labor Force

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 Manhattan Labor Basin is 68,074 workers.

While a review of CLF statistics represents the starting point for understanding the labor force in and around Manhattan, 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 Seven Counties of the Manhattan Labor Basin



Available Labor Pool

An alternative to the CLF is the “Available Labor Pool¹.” The Available Labor Pool is composed of workers categorized as either 1) currently employed (full- or part-time) *and* seeking other 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 CLF². 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 Manhattan Labor Basin is 30,147 workers.

The Manhattan Labor Basin’s Available Labor Pool

This section assesses the characteristics of the Available Labor Pool in the Manhattan 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?

The percent of the study area population in the Available Labor Pool is derived from a random digit telephone survey of 539 employed, unemployed, and retired adults

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.

living in the Manhattan Labor Basin. When all 539 respondents are included in the analysis, the survey findings have a margin of error of +/- 4.2%. 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 231 respondents, the survey has a margin of error of +/- 6.4%. 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 Manhattan Labor Basin of 30,174. It is estimated that 1,717 unemployed³ and 5,270 currently employed workers are seeking new employment, while 23,160 would consider changing employment for the right opportunities.

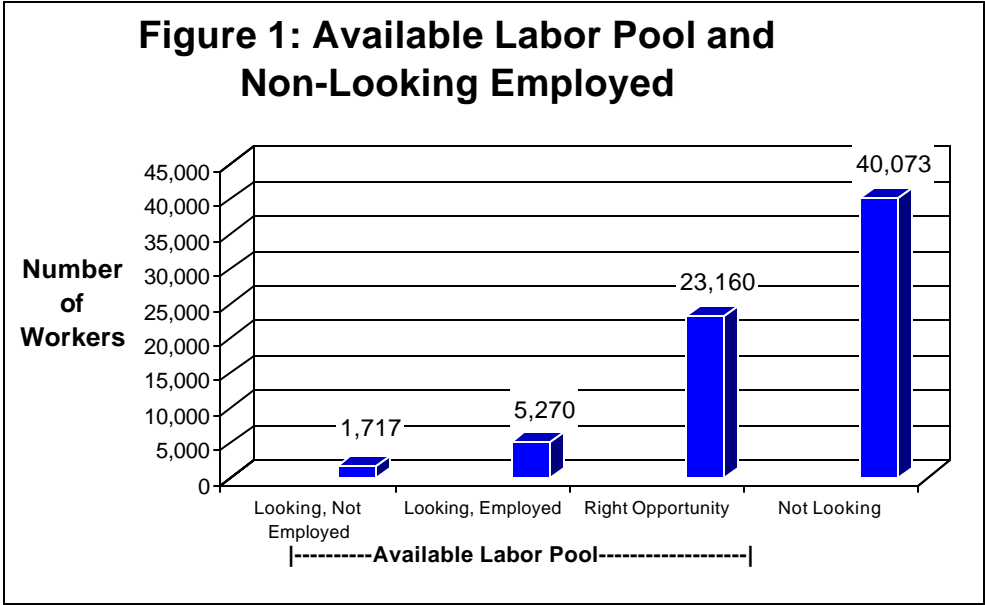


Table 1 (next page) shows the various occupations of these 30,174 potential employees. Traditional blue-collar jobs represent 23.9% of the Available Labor Pool. Included in this blue-collar category are more than 4,985 general laborers (16.5% of the total Available Labor Pool). Traditional customer services and social service related occupations represent 38.2% of the Available Labor Pool, while professional white-collar occupations comprise another 30.3%. Finally, students, the unemployed, homemakers and retired represent 7.6% of the Available Labor Pool.

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: Occupation

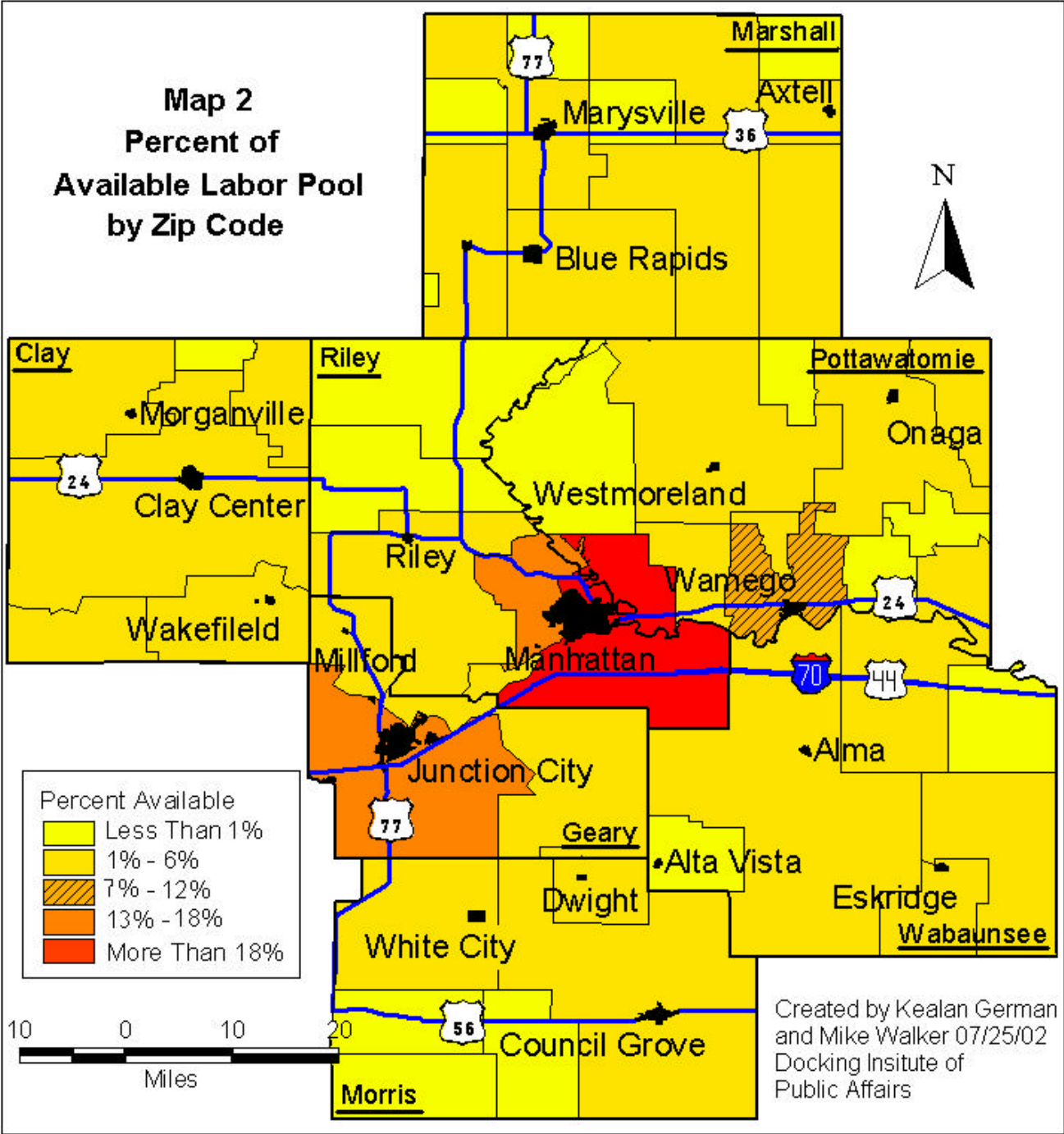
	Number	Percent
Mechanic,Welder	1,431	4.7
Factory Worker,Meat Packer	808	2.7
General Labor	4,985	16.5
Governmental, Business, and other Professional	5,359	17.8
Clerical	3,082	10.2
Educator or Professor	3,774	12.5
Other White Collar	2,821	9.4
Social Service (e.g.health,babysitting)	2,736	9.1
Sales, Hotel, Restaurant, Food Service	2,254	7.5
Military	607	2.0
Homemakers and Retirees	156	0.5
Full or Part Time Student	1,354	4.5
Unemployed	778	2.6
Total	30,147	100.0

Table 2 shows the gender, age statistics, and educational levels of these 30,174 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. More than three-quarters (76.5%) of the available workers have at least some college education, while almost all (97.7%) 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	15,345	50.9	
Male	14,802	49.1	
Total	30,147	100.0	
Highest Level of Education Achieved	Number	Percent	Cum. Percent
Doctoral Degree	648	2.1	2.1
Masters Degree	3,724	12.4	14.5
Bachelors Degree	6,738	22.3	36.9
Associates Degree	3,030	10.1	46.9
Some College	8,931	29.6	76.5
High School Diploma Only	6,372	21.1	97.7
Less HS Diploma	705	2.3	100.0
Total	30,147	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 Manhattan Labor Basin. Each zip code is grouped into one of five categories specified in the key. Not surprisingly, the zip codes with the highest levels of available labor with the Manhattan Labor Basin are located around Manhattan and Junction City.



An important consideration for many employers is whether workers are willing to pursue new employment opportunities. Some workers may be available for a new employment, but are unwilling to switch from their current job to a different type of position. If there are a large percentage of those unwilling to change their job descriptions, it limits the type of employers who can enter the labor basin. However, this is not the case in the Manhattan Labor Basin. Table 3 indicates that almost 86% of the Available Labor Pool, or about 25,806 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	25,806	85.6
No	4,341	14.4
Total	30,147	100.0

Table 4 and Figure 2 (next page) indicate that the Available Labor Pool in the Manhattan Labor Basin is open to commuting. Almost 90% of the workers in the Available Labor Pool will commute 15 minutes or less, one way, for an employment opportunity, and 65% (or about 19,625 workers) will commute 30 minutes or less for employment. Interestingly, almost 86% of the Available Labor Pool is willing to change employment field and 86% are willing to commute 20 minutes for a new employment opportunity.

Table 4: Time Available Labor Will Commute

	Number	Cumulative Percent
More than 60 Minutes	3	0.0
60 Minutes or Less	2,990	9.9
55 Minutes or Less	3,232	10.7
50 Minutes or Less	5,360	17.8
45 Minutes or Less	5,830	19.3
40 Minutes or Less	7,839	26.0
35 Minutes or Less	8,416	27.9
30 Minutes or Less	19,625	65.1
25 Minutes or Less	21,420	71.1
20 Minutes or Less	25,929	86.0
15 Minutes or Less	27,097	89.9
10 Minutes or Less	28,980	96.1
5 Minutes or Less	30,147	100.0

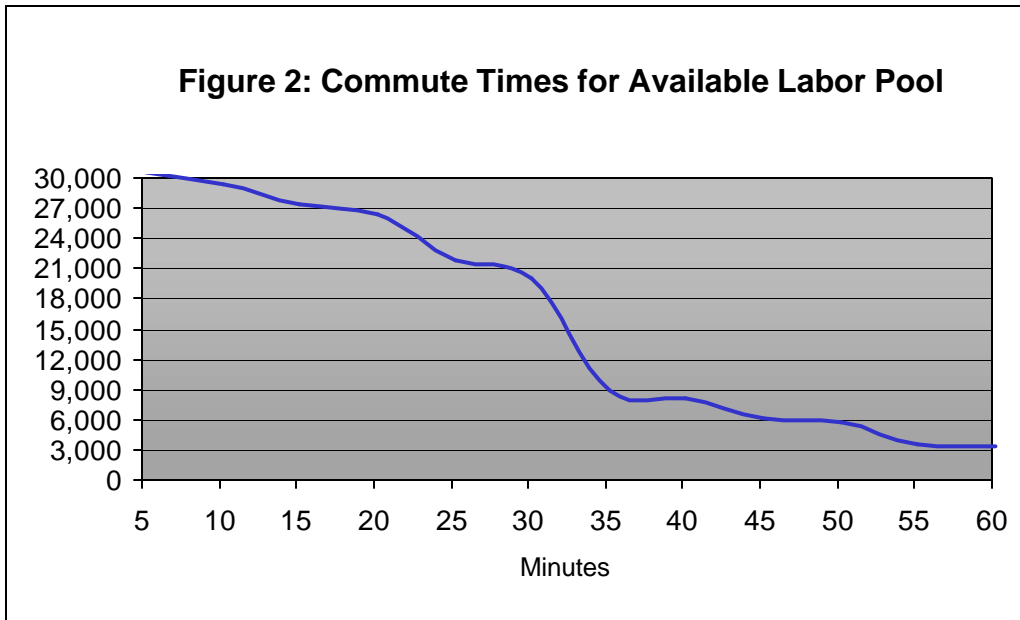
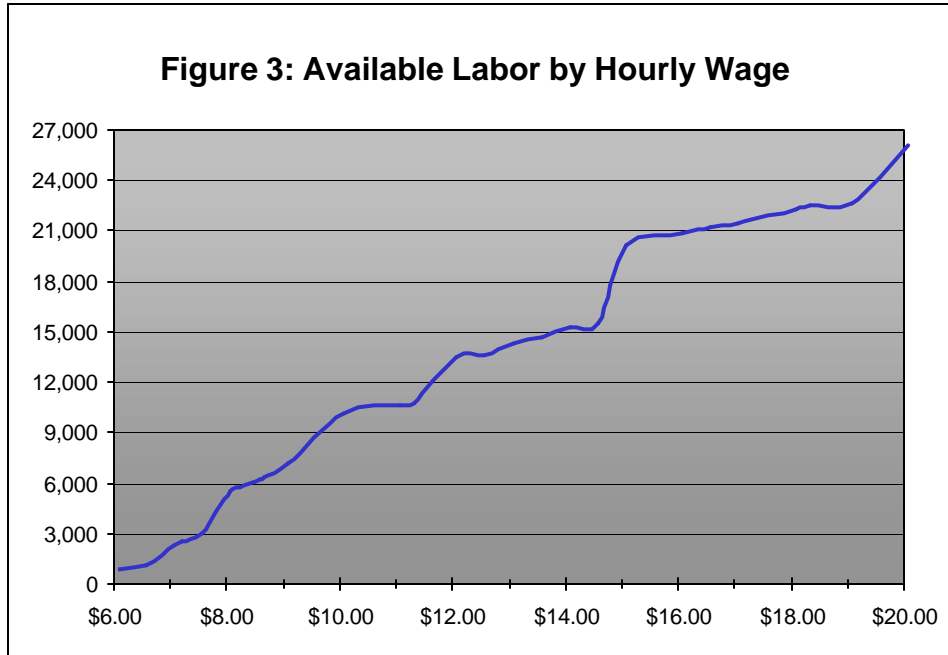


Table 5 shows that the most important benefit affecting workers' decisions to leave their present job is higher pay (94.6%), followed by improved retirement benefits (69.5%), more flexible work hours (64.9%), training on the job (57.9%), and better health benefits (53.6%). The high percentage of respondents desiring flexible hours and on-the-job-training is somewhat unusual compared to similar labor basin studies. This suggests a couple of new benefits that Manhattan employers might offer to attract potential employees.

Table 5: Benefit Very Important In Decision to Change Employment

	Percent Responding "Yes"
Salary	94.6
Retirement	69.5
Flexible Hours	64.9
On the Job Training	57.9
Health Benefits	53.6
Educational Opportunities	48.0
Different Community	37.2
Transportation to Work	27.4
Closer to Home	25.4
On-Site Childcare	22.3

Figure 3 shows the wage demands of the Available Labor Pool. About 14,920 people (or almost 50% of the available labor) would be interested in a job if offered \$14.00 per hour. About 13,060 people, or about 43% of the available labor, would be interested in a job at \$12.00. Almost 9,725 people, or about 32% of the Available Labor Pool, would be interested in new employment at \$10.00 an hour. About 5,110 people (or almost 17% of the available labor) indicated interest in a new employment opportunity with a wage of \$8.00 an hour.



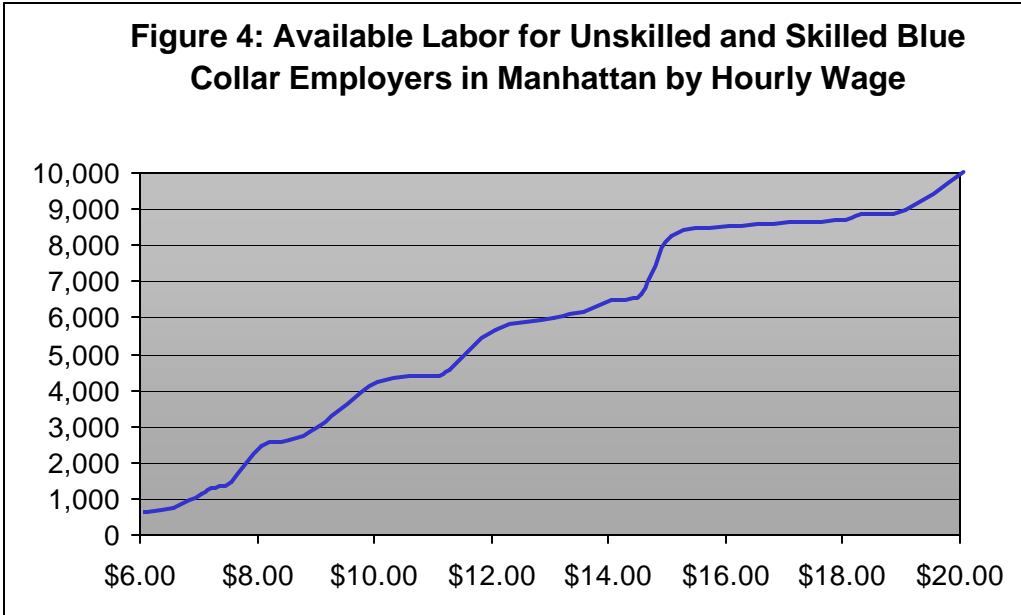
Blue-Collar and Pink-Collar Sector Scenarios

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

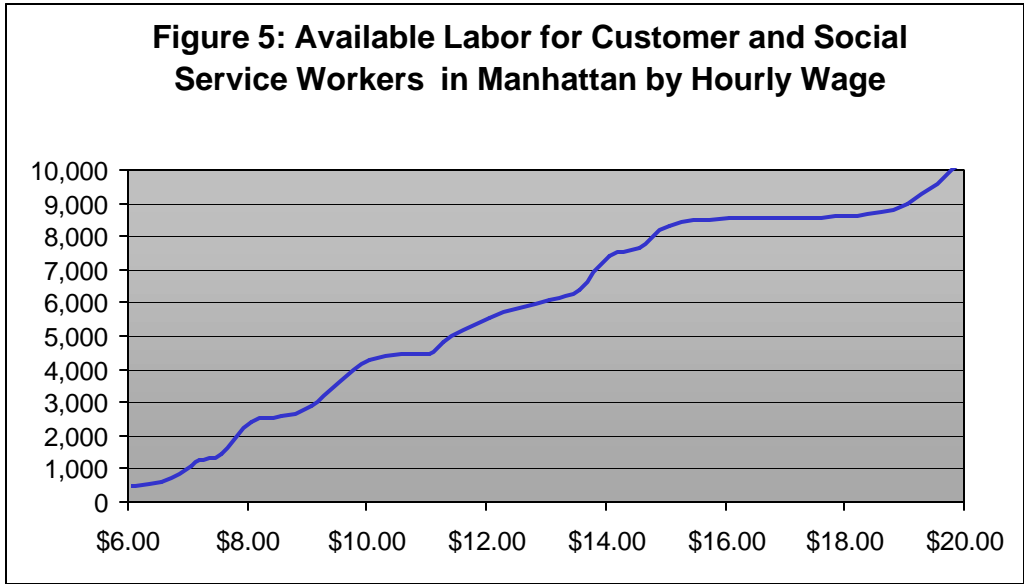
- 1) Are unwilling to commute the necessary time from his/her community to the center of the labor basin.
- 2) Have wage expectations exceeding \$20.00 an hour.
- 3) Are unwilling to change their primary field of employment (for example: non-professional service sector to blue-collar).

Given these exclusions⁴, Figures 4 and 5 (next page) suggest the number of employees that employers of unskilled and 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 skilled blue-collar employer, for example, offering \$14.00 an hour is about 6,250 workers. At \$12.00 an hour the available labor is about 5,540 workers, at \$10.00 an hour the available labor is almost 4,000, and at \$8.00 the available labor is slightly less than 2,220 people.

For a service sector employer offering \$14.00 an hour, the available labor is slightly more than 7,350 workers. At \$12.00 there are about 5,488 workers available, at \$10.00 an hour there are almost 4,220, and at \$8.00 there are almost 2,355 people available.



⁴ In addition, certain professional occupations are excluded from the data presented in *this* section of the report. These occupations include Doctors, Lawyers, Engineers, Professors, and others that are highly skilled but are unlikely to transfer into 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, the survey asked respondents if their skills, education, or talents are underutilized in their current job. Figure 6 shows that not quite a quarter, or 7,310 workers, in the **entire** Available Labor Pool, consider themselves underutilized.

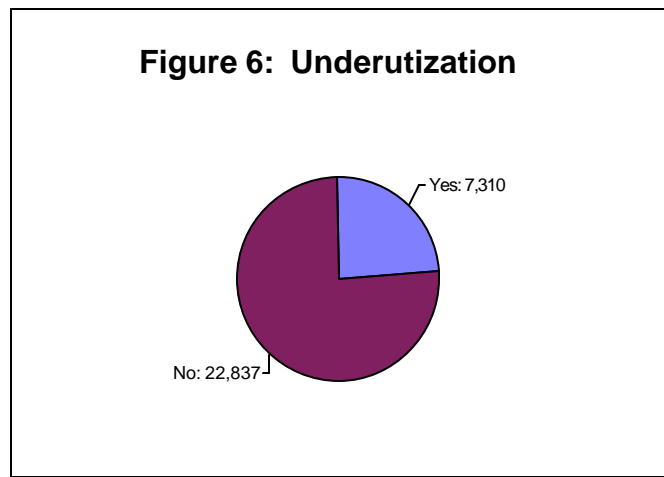
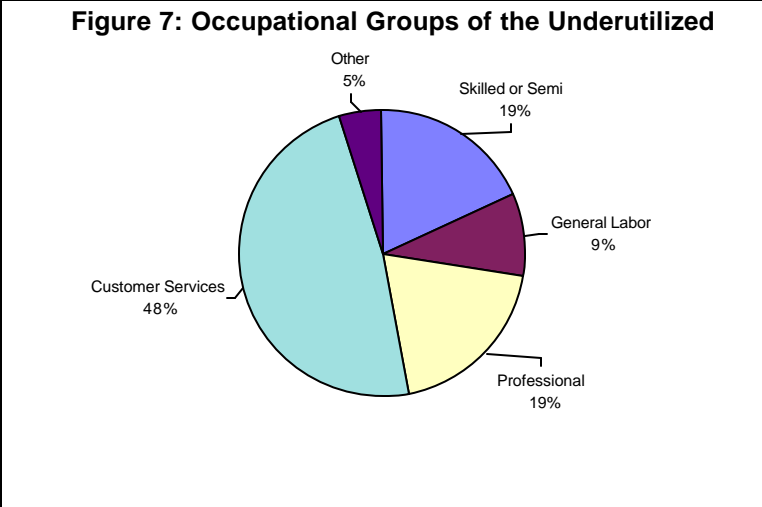


Table 6 shows the education levels of these underutilized workers in the *entire* Available Labor Pool, with a substantial majority (76%) having at least some college education. Almost all (96%) have a high school diploma.

Table 6: Highest Level of Education Achieved the Underutilized

	Number	Percent	Cum. Percent
Doctoral Degree	0	0.0	0.0
Masters Degree	781	10.7	10.7
Bachelors Degree	1,581	21.6	32.3
Associates Degree	789	10.8	43.1
Some College	2,415	33.0	76.1
High School Diploma Only	1,441	19.7	95.9
Less HS Diploma	303	4.1	100.0
Total	7,310	100	

The underutilized workers also tend to be currently employed in areas of strong demand. Figure 7 illustrates that 28% of the underutilized workers are employed as general laborer and skilled or semi-skilled blue-collar workers. Another 48% are in customer service-related occupations, and 19% are in professional positions.



Methodology

The findings from this study are based on a random digit telephone sample of 539 adults living in seven counties in northern Kansas. The survey was conducted from April 4, 2002 to April 22, 2002, using a Computer Assisted Telephone Interviewing (CATI) system. A total of 804 households were successfully contacted during the

phone survey, and in 539 of these households an adult who is working, unemployed, or retired agreed to do the interview. This represents a response rate of 67%. As previously mentioned, the margin of error for the survey findings of the 539 respondents is +/- 4.2%. The margin of error for the Available Labor Pool is +/- 6.4%.

The study sponsors and Institute personnel agreed upon the survey items used, with the former identifying the study objectives and the latter developing items that were valid, reliable, and unbiased. Question wording and design of the survey instrument are the property of the Docking Institute. A detailed summary of the method of analysis used in this report can be found in Joseph A. Aistrup, Michael S. Walker, and Brett A. Zollinger, "The Kansas Labor Force Survey: The Available Labor Pool and Underemployment." *Kansas Department of Human Resources*, 2002.