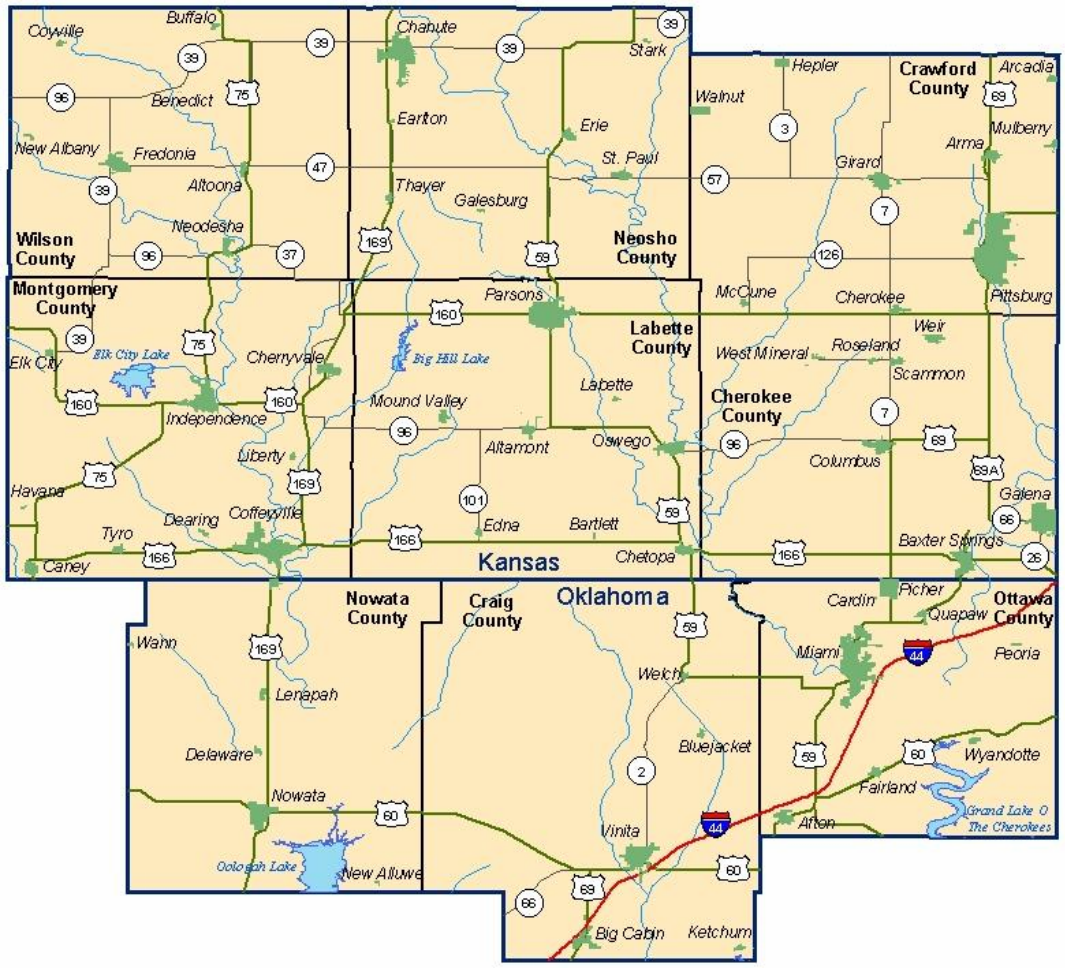
Southeast Kansas Labor Basin
Labor Availability Analysis - 2006

Cherokee, Crawford, Labette, Montgomery, Neosho, and Wilson Counties in Kansas
Craig, Nowata, and Ottawa Counties in Oklahoma

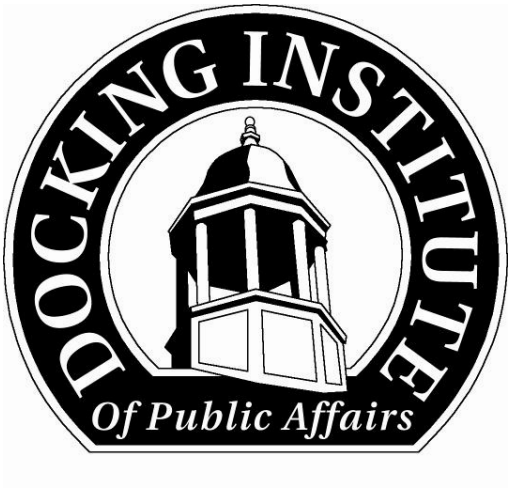


Prepared For

Jeffrey Donohoe Associates, LLC
on behalf of the Kansas Department of Commerce

By

The Docking Institute of Public Affairs



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To Facilitate Effective Public Policy Decision-Making.

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Southeast Kansas Labor Basin
Labor Availability Analysis - 2006

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This research is conducted on behalf of Jeffrey Donohoe Associates, LLC, under its contract with the Kansas Department of Commerce to assist with early community planning to ensure an effective workforce investment system response to worker impacts that may result from the closure of the Kansas Army Ammunitions Plant as a result of the Base Realignment and Closure recommendations in 2005.

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Executive Summary

The Southeast Kansas Labor Basin includes Cherokee, Crawford, Labette, Montgomery, Neosho, and Wilson Counties in Kansas, and Craig, Nowata, and Ottawa Counties in Oklahoma. 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.

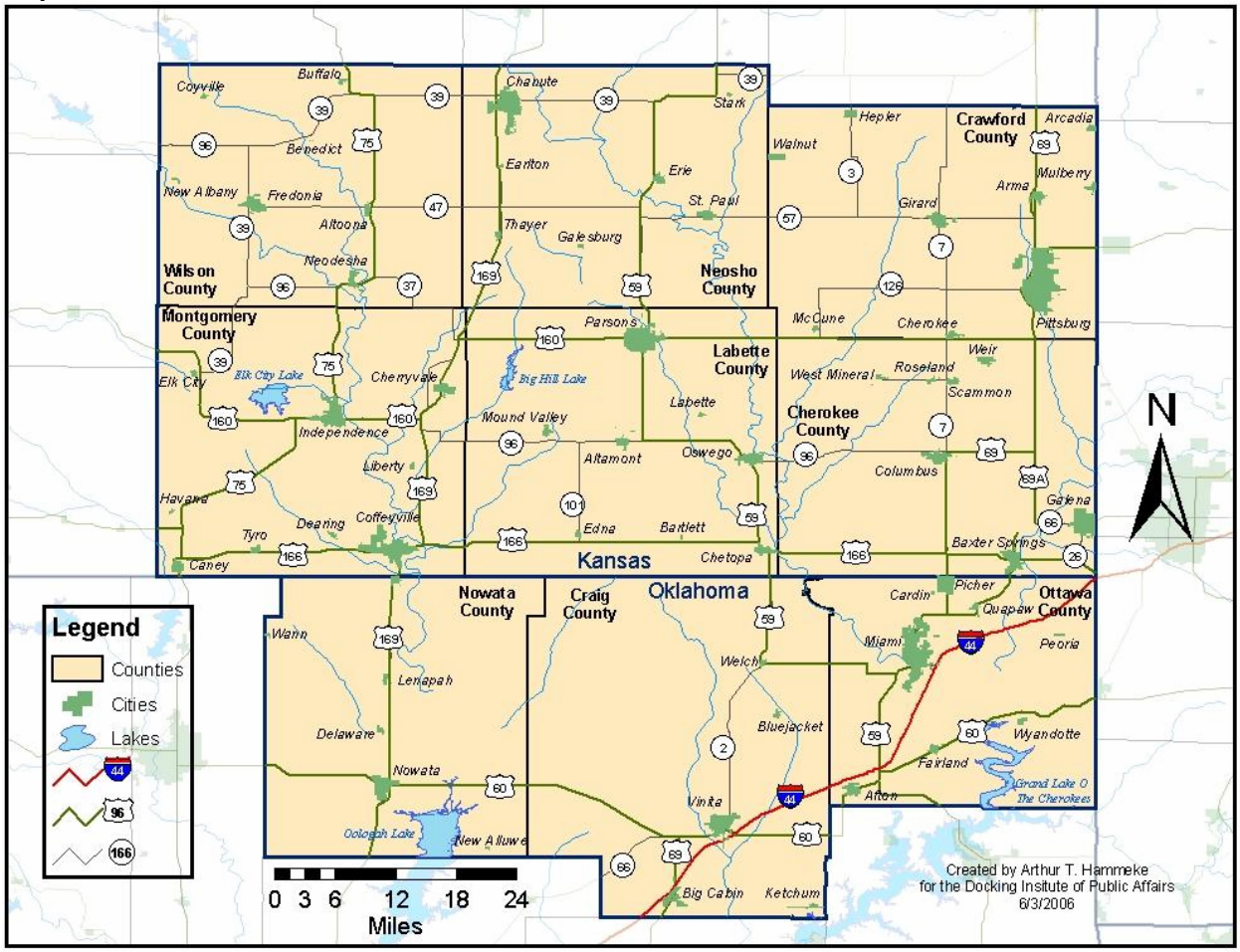
The Docking Institute's independent analysis of this labor basin shows that:

- The population of the Southeast Kansas Labor Basin is estimated to be 201,687. About 22% of the population (or 44,781 individuals) are considered to be part of the Available Labor Pool (ALP).
- Of the ALP, an estimated 2,404 (5.4%) non-working and 9,768 (21.8%) working individuals are *looking* for new employment, while 2,104 (4.7%) non-working and 30,505 (68.1%) working individuals would *consider* new and/or different employment for the right opportunities.
- Almost 65% of the ALP has at least some college experience and about 95% has at least a high school diploma. The average age for members of the entire ALP is about 42 years old, and women make up 51% of the ALP.
- Majorities of ALP members report having "strong work skills" when it comes to working in groups and interpersonal relations (93.4%), management and supervision (76.7%), writing (72.5%), math (70%), computers (53.3%), and public speaking (51.9%) .
- Approximately 5,377 members of the ALP are currently employed as general laborers, construction workers, or cleaners. An additional 4,233 report having experience or training in these fields.
- Slightly more than 85% (38,143 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."
- About 35% of the members (15,855 individuals) of the ALP will commute up to 45 minutes, one way, for an employment opportunity. Almost 80% (35,451 individuals) will commute up to 30 minutes for employment.
- The most important desired benefits are good retirement benefits, good salary or hourly wage, good health benefits, on-the-job or paid training, and good vacation benefits.
- Among the ALP that are willing to commute the necessary distance to the labor basin center, an estimated 13,702 people (30.6%) are interested in a new job at $16 an hour, 8,410 (18.8%) are available at $12 an hour, and 2,619 (5.8%) are available at $8 an hour.
- Of the 40,348 members in the subset of *employed members* of the ALP, 18,721 (46%) consider themselves underutilized. Almost 70% of this subset of the ALP has some college experience, and nearly all (97%) are willing to change jobs to improve their underutilized status.
- Of the 38,775 members in the subset of *non-business owning members* of the ALP, 16,054 (41%) have seriously considered starting their own business. Sixty-four percent of this subset of the ALP has some college experience.

The Southeast Kansas Labor Basin

The Southeast Kansas Labor Basin includes nine counties, five in southeast Kansas and three in northeast Oklahoma (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 (Parsons) for an employment opportunity. In the case of the Southeast Kansas Labor Basin, it can be reasonably assumed that individuals may commute from one of the eight neighboring counties (and within Labette County) because these counties contain: 1) communities that are sufficiently isolated but with adequate transportation access leading to Parsons, and 2) communities that are within an hour's commute time to the center of the labor basin.

Map 1: Southeast Kansas Labor Basin



The Southeast Kansas Labor Basin has a total population of approximately 201,687, and a Civilian Labor Force (CLF) of 102,364. There is an unemployment rate of 5.03%, and this research effort suggests that there is an ample supply of available labor for a new employer and/or expanded employment. The Docking Institute's analysis suggests that the basin contains an Available Labor Pool (ALP) of 44,781 individuals.

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*. 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.

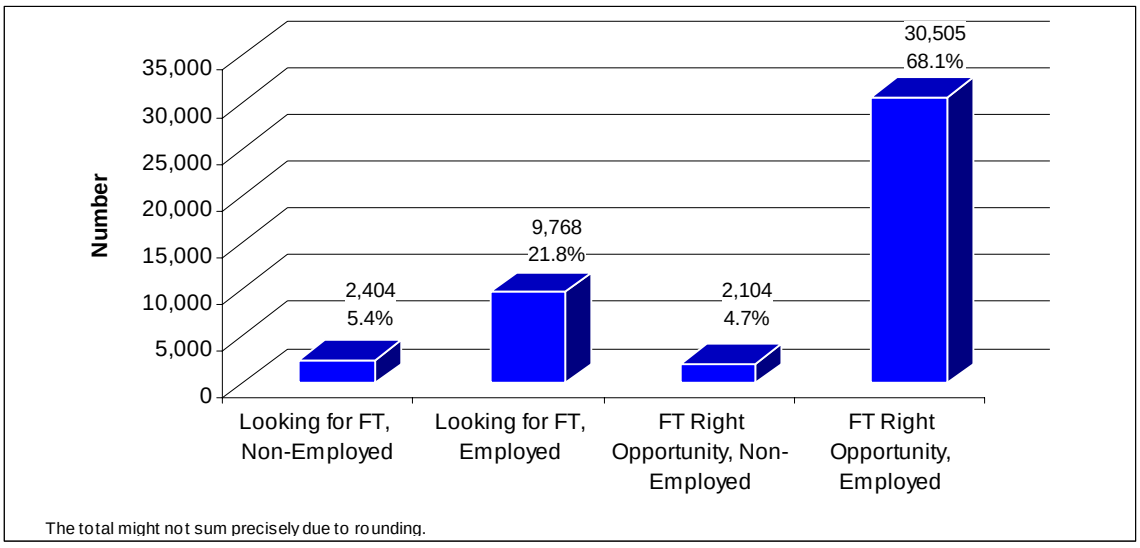
The Southeast Kansas Labor Basin's Available Labor Pool

This section of the report assesses the characteristics of the Available Labor Pool in the Southeast Kansas 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 skills do those who would consider a new employment opportunity have?
- What type of jobs have these workers and potential workers had in the past?
- 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 those workers among the Available Labor Pool is considered "underutilized"?
- What are some of the characteristics of those underutilized workers?
- What proportion of available labor pool members desire to pursue their own business?
- What are some of the characteristics of these "potential entrepreneurs"?

It is estimated that 2,404 (5.4% of the ALP) non-employed[1] and 9,768 (21.8%) employed individuals are *currently looking* for new or different full-time employment, and 2,104 (4.7%) non-employed individuals and 30,505 (68.1%) employed individuals *would consider* new or different full-time employment for the right opportunities.

Figure 1: The Available Labor Pool for the Southeast Kansas Labor Basin



[1] 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.

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 Southeast Kansas 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 Southeast Kansas Labor Basin are located in Cherokee, Crawford, and Ottawa Counties. Up to 10% of the available labor is also located in zip code areas within Craig, Labette, Montgomery, and Neosho Counties.

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

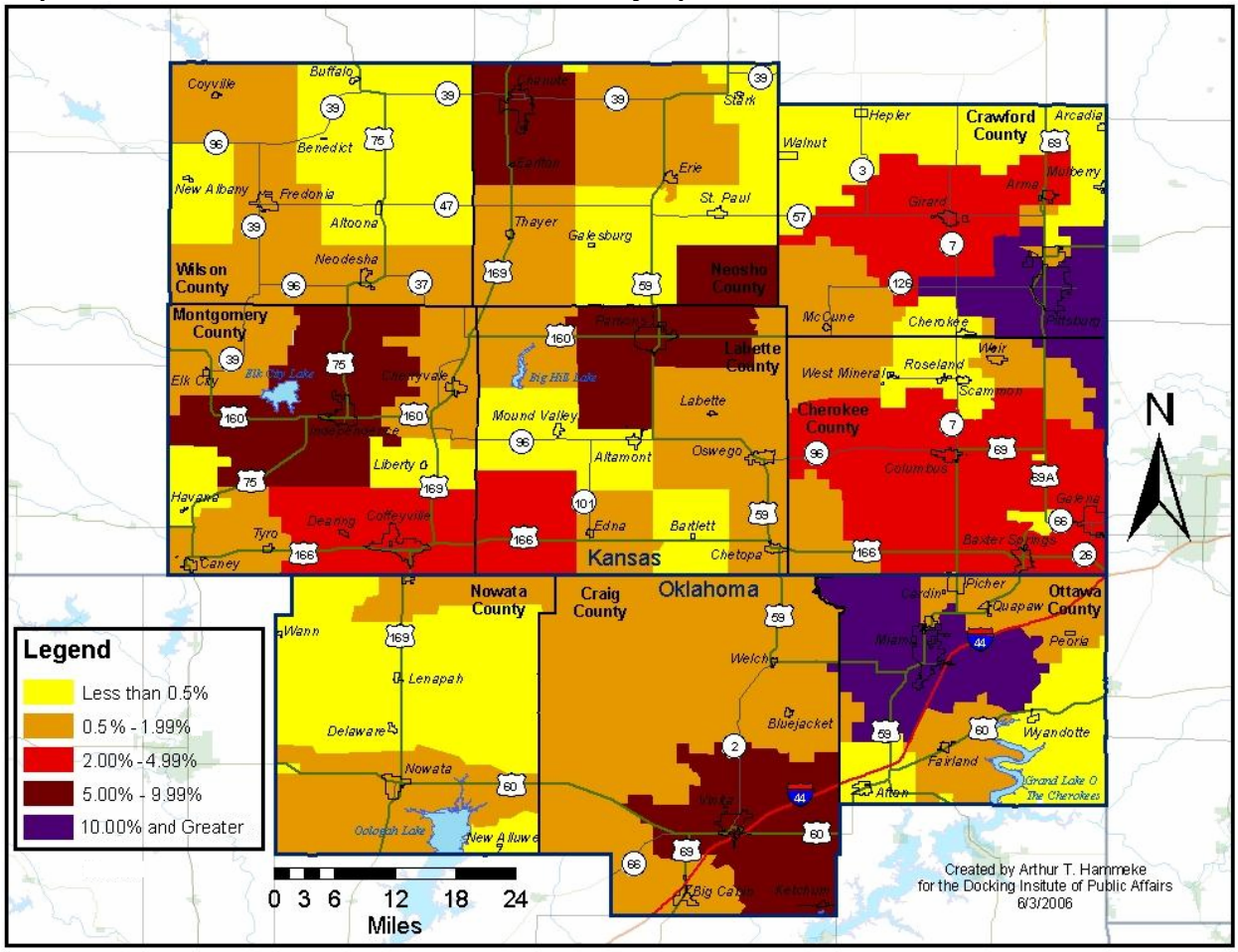


Table 1 shows the gender, age, and education levels of the 44,781-member ALP. Fifty-one percent are women, and the average age is about 42. Many (95.4%) have at least a high school diploma, almost two-thirds (64.7%) have at least some college education, and slightly more than a quarter (25.4%) have at least a bachelor's degree.

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

Age	Age in 2006		
Range	18 to 67		
Average	42		
Median	42		
Gender	Number	Percent	
Female	22,734	50.8	
Male	22,046	49.2	
Total	44,781	100.0	
			Cumulative
Highest Level of Education Achieved	Number	Percent	Percent
Doctoral Degree	626	1.4	1.4
Masters Degree	3,950	8.8	10.2
Bachelors Degree	6,808	15.2	25.4
Associates Degree	5,822	13.0	38.4
Some College (including current students)	11,758	26.3	64.7
High School Diploma Only	13,742	30.7	95.4
Less HS Diploma	2,074	4.6	100.0
Total	44,781	100.0	
"Do you speak Spanish?"	Number	Percent	
"Yes"	6,756	15.1	
Speak Very Well	*783*	*11.6*	*These percentages represent portions of*
Speak Fairly Well	*1,682*	*24.9*	
Speak Only a Little	*4,291*	*63.5*	*15.1%*
		100.0	

The totals might not sum precisely due to rounding.

Table 2 (next page) shows the various occupational categories of the 44,781 members of the ALP. General labor occupations represent 23.6% of the entire ALP, including 10,586 general laborers, maintenance workers, and truckers. High-skilled blue-collar jobs make up 7.5% of the ALP, with 23,342 government services workers, technicians, mechanics, welders, electricians, and carpenters.

Traditional service-related occupations represent 42.5% of the ALP, including 19,048 customer service workers, retail sales clerks, receptionists, food service workers, secretaries, semi-professional social services and health workers, and office managers. Professional occupations represent 16.5% of the ALP, including 7,372 government and business professionals, sales operatives, teachers, social workers, doctors, and attorneys.

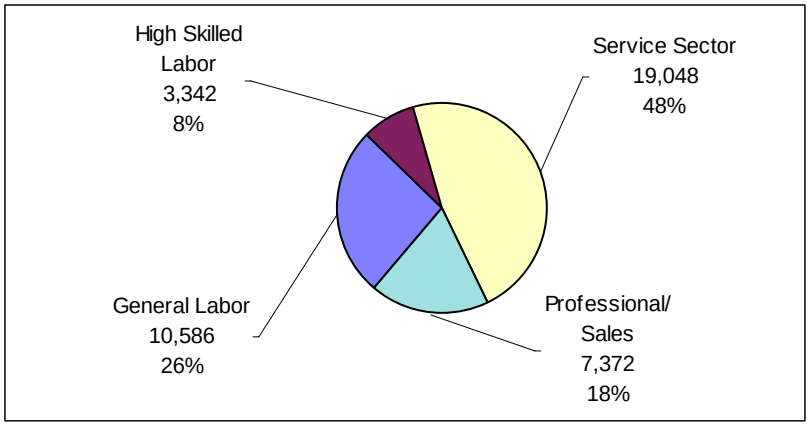
Table 2: Major Occupational Categories of Available Labor

	Number	Percent	Years at Job Mean	Years at Job Median
General Labor/Cleaning/Delivery	6,946	15.51	7.3	4.00
Maintenance/Factory Work	2,340	5.23	4.76	2.00
Trucking/HEO/Other BC	1,299	2.90	11.01	8.59
Total General Labor	*10,586*	*23.64*	*7.69*	*4.86*
Gov't Service/Protective Service	1,081	2.41	12.92	13.10
Technician/Mechanic/Welder	2,262	5.05	10.97	10.18
Total Highly-Skilled Labor	*3,342*	*7.46*	*11.95*	*11.64*
Customer Service/Receptionist/Food Service	6,298	14.06	7.77	4.65
Clerical/Secretarial	4,074	9.10	7.75	5.45
Social Service/Para-Professional/Nursing	4,404	9.83	4.76	3.00
Office Manager/Small Business Owner/Other WC	4,272	9.54	11.17	7.68
Total Service Sector	*19,048*	*42.54*	*7.86*	*5.20*
Gov't & Business Professional/Sales	2,266	5.06	6.82	6.77
Educator/Researcher/Doctor	5,107	11.40	11.04	6.15
Total Professional	*7,372*	*16.46*	*8.93*	*6.46*
Homemakers/Unemployed	2,352	5.25	n/a	n/a
Students	674	1.50	n/a	n/a
Retired/Disabled	1,406	3.14	n/a	n/a
Total	44,781	100		

The totals might not sum precisely due to rounding.

Figure 2 shows the occupational sectors of the *employed members* of the ALP only[2]. 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)



[2] The total employed shown here differs slight from those shown in Figure 1 due to rounding.

Current Skills and Experience

To gain perspective on the types of workers that are available for new and/or different employment in the Southeast Kansas Labor Basin, survey respondents were asked questions assessing work skills and previous work experience.

Figure 3 shows that 41,844 (or 93.4%) members of the Available Labor Pool report having "strong work skills" when it comes to working in groups and interpersonal relations. More than three-quarters of the members of the Available Labor Pool also report having "strong work skills" in management and supervision (34,345 or 76.7%).

Almost 73% (representing 32,445 individuals) report having "strong work skills" in writing, 70% (or 31,330 individuals) report "strong work skills" in math. More than 50% report having strong computer operation skills (23,873 or 53.3%) and strong public speaking skills (23,241 or 51.9%) each.

Figure 3: Strong Work Skills

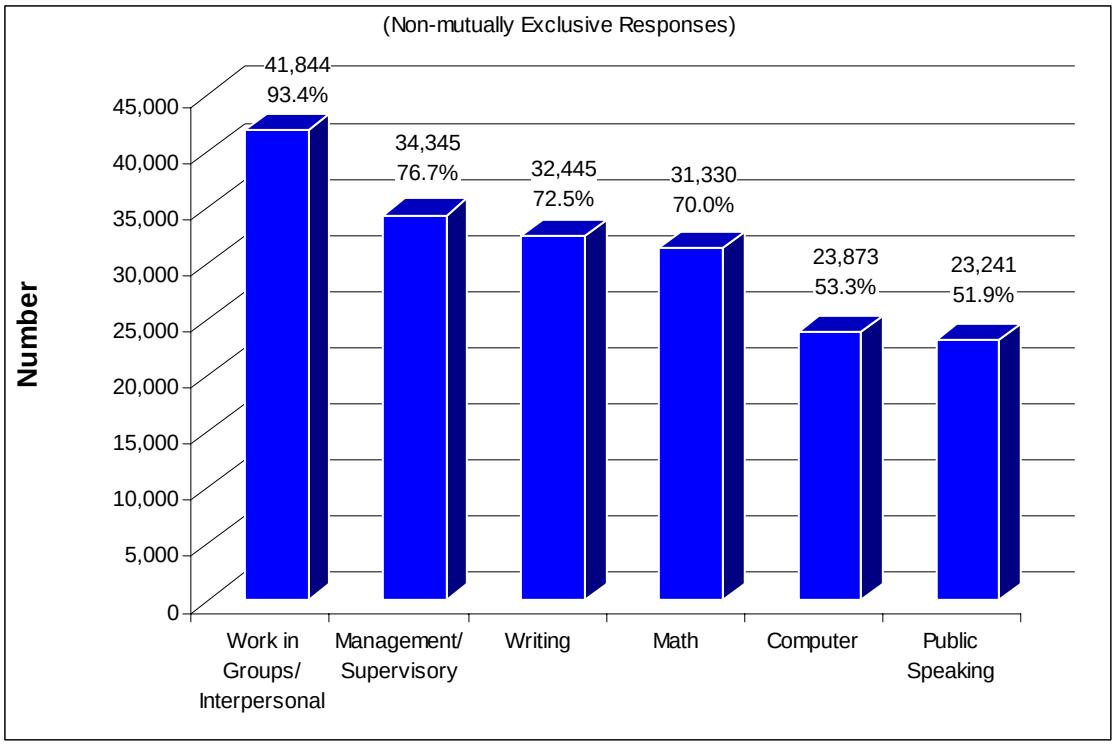


Table 3 and Figure 4 (next page) show the results of the analysis performed on data collected regarding the current employment status and previous work or training experience of ALP members. Table 3 shows the number of workers currently employed in various job categories, as well as the number of workers that have previous work or training experience. 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 5,377 members of the ALP in the Southeast Kansas Labor Basin are currently employed as general labor, construction, cleaners, and similar positions. An additional 4,233 ALP members in the basin indicate previous employment experience or training in one of those jobs, for a total of 9,610 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	5,377	4,233	9,610
Farm Labor/Ranch Hand/Landscaping	494	478	972
Delivery/Driver/Courier	1,076	576	1,652
Maintenance/Wiring/Plumbing	1,935	1,267	3,201
Factory Worker/Grain Elevator/Meat Packer	405	3,224	3,629
Truck Driver/Heavy Equipment Operator	1,299	845	2,144
Police/Fire/Postal/Military Enlisted	1,081	400	1,481
Mechanic/Welder/Carpenter/Electrician	1,346	1,577	2,924
Lab or Medical Tech/Comp Tech/Programmer	915	559	1,474
Other Blue Collar	0	0	0
General Customer Service/Retail/Reception/Waitress	6,298	4,737	11,035
Clerical/Secretary/Book-Keeper/Bank Teller	4,074	3,864	7,938
Para-legal/Para-pro/CNA/Care Assistance	2,340	1,681	4,021
Nurse/LPN/RN/Semi-skilled Social Service	2,064	541	2,605
Office Manager/Small Business Owner	4,272	4,758	9,030
Writer/Instructor/Researcher	542	515	1,057
Sales/Marketing/Accounting	1,915	637	2,552
Govt., Non-Profit, or Bus Exec/Farm Owner/Military Officer	351	192	542
Teacher/Counselor/Social Worker/Physician's Assistant	3,383	1,048	4,431
Professor/Doctor/Scientist/Engineer/Attorney	1,182	132	1,314
Other White Collar	0	0	0
Total	40,348		

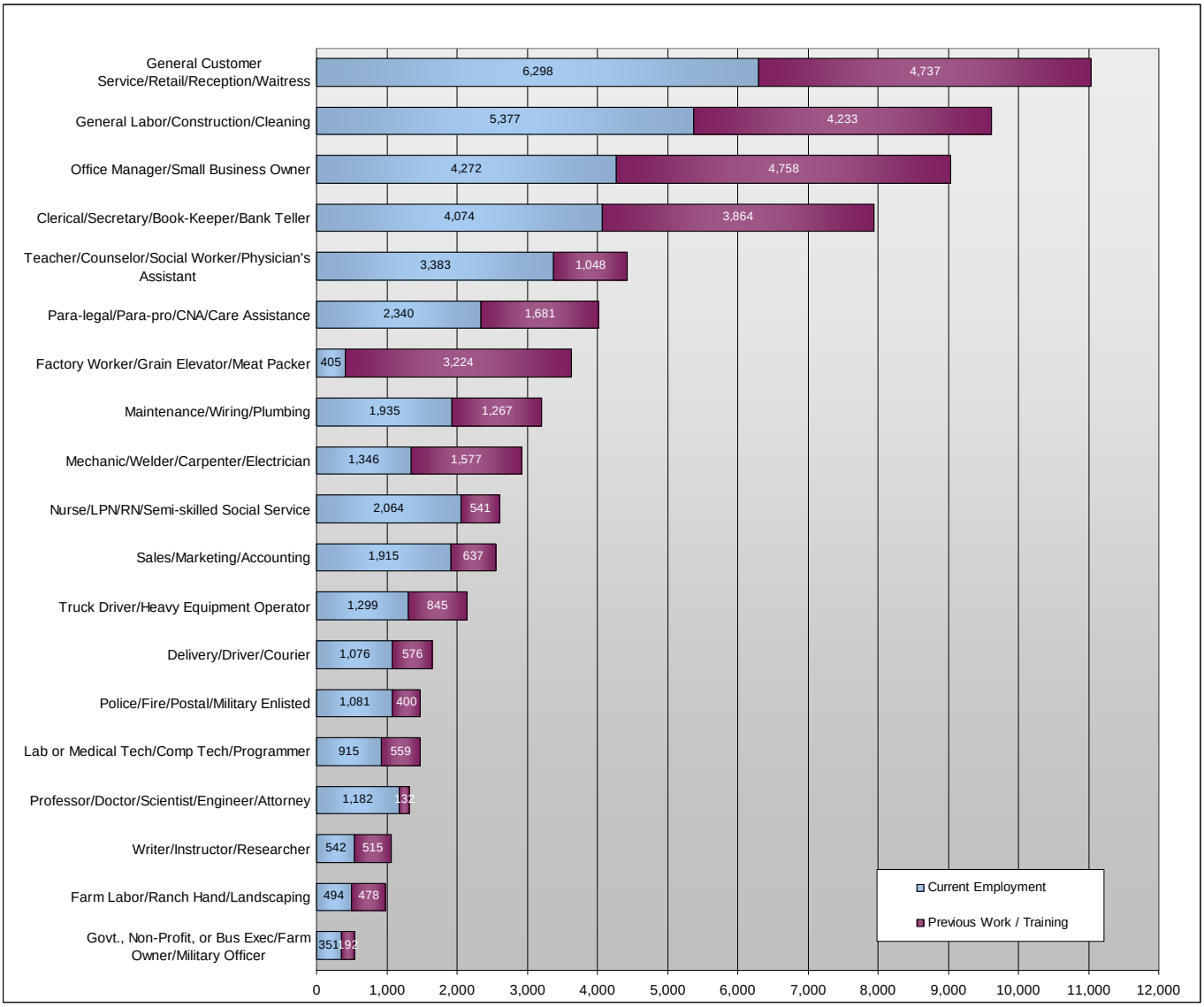
* Retired, disabled, non-working students, homemakers are not included.

** An individual member of the ALP is counted only once within a training/experience category.

The total might not sum precisely due to rounding.

Figure 4 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, waitresses, and similar positions that require interaction with the public. There are 6,298 working ALP members currently employed in this category and 4,737 previously employed/trained in this category, for a total of 11,035

Figure 4: Current Work Experience plus Previous Work or Training Experience



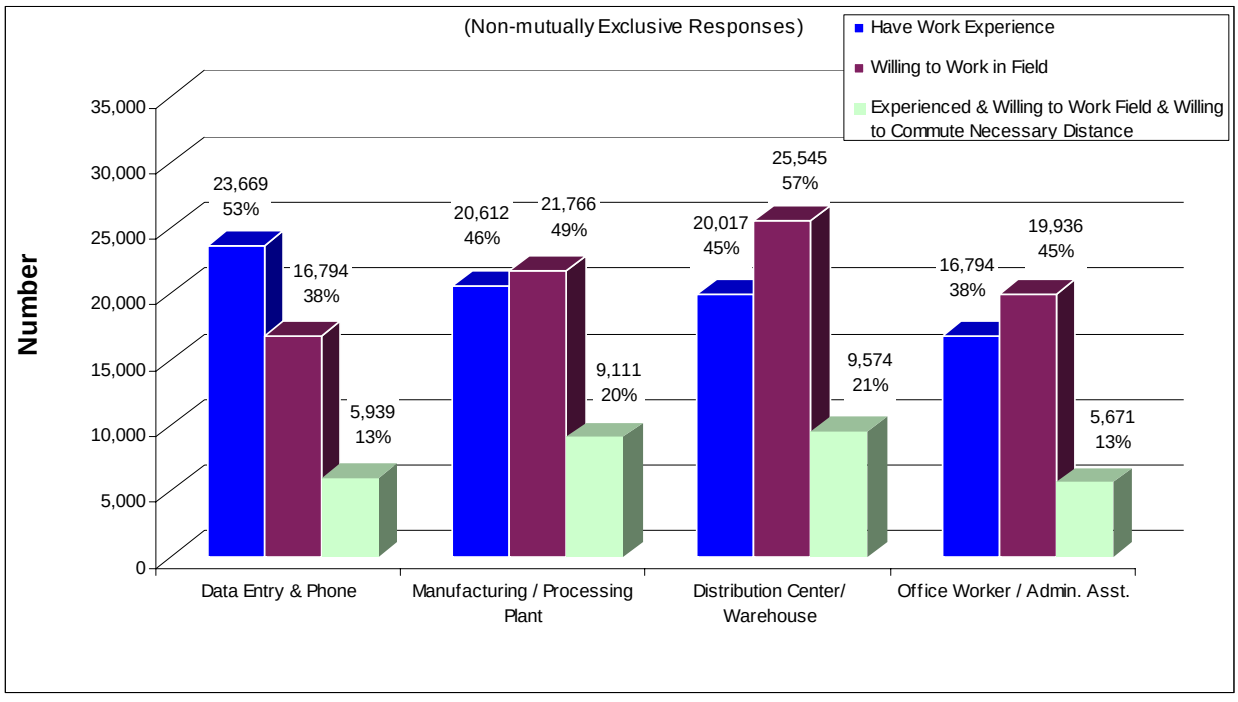
In addition to collecting data regarding the current employment status and previous work or training experience through a series of "open-ended" survey questions (the results of which are shown in the previous table and figure), respondents were asked about the five specific employment areas listed in Figure 5. Respondents were first asked if they had training or work experience in a specific field and then if they would take a job in that field regardless of their prior training or experience.

The figure indicates that 23,669 (53%) ALP members report having training and/or experience in data entry with telephone operation, while fewer (16,794 or 38%) would consider employment in that field. Nearly equal percentages of Available Labor Pool members also have training and/or experience in manufacturing or processing work (46%), and warehousing or distribution work (45%). Fewer have training or experience in office work or as administrative assistants (16,794 or 38%).

The most popular employment option of those listed is working in a distribution center or warehouse, with 25,545 (57%) of the members of the ALP reporting that they would be interested in a job in that field. Manufacturing or processing work was the second most popular employment field with 49% interested, followed closely by office work (45%).

The third column is derived by taking three conditions into consideration. The column represents only those ALP members that 1) have experience or training in a field, 2) are willing to work in that field again, ***and*** 3) those that are willing to commute the *necessary travel time*[3] for a new or different job.

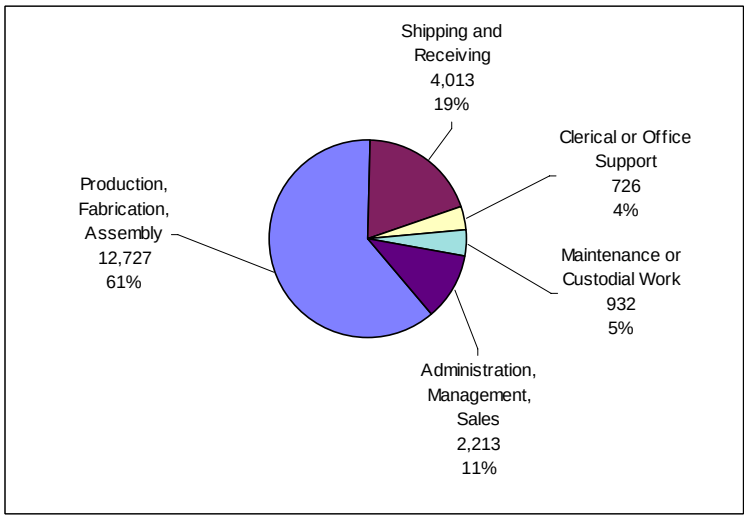
Figure 5: Work Experience / Willing to Work in Field



[3] "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. See page 15 for more details.

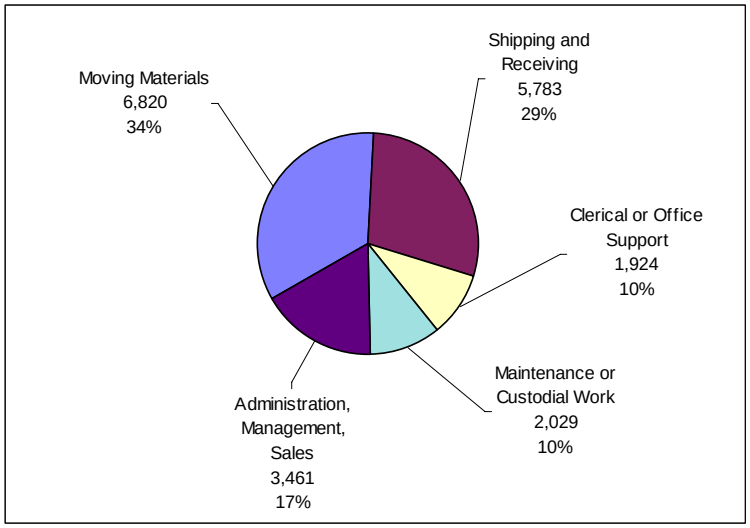
Figures 6 and 7 show the results of follow-up questions regarding employment experience in manufacturing/processing and distribution/warehousing. Respondents indicating employment experience "working in a manufacturing plant or processing plant" were asked if their experience was "mostly in either 1) production, fabrication, or assembly, 2) shipping or receiving materials, 3) doing clerical or office support work, 4) performing maintenance or custodial work, or 5) administration, management, or sales." Figure 6 shows the results to this question.

Figure 6: Work Experience in Manufacturing or Processing



Respondents indicating employment experience "working in a warehouse or distribution center" were asked if their experience was "mostly in either 1) moving materials or loading trucks, 2) shipping or receiving materials, 3) doing clerical or office support work, 4) performing maintenance or custodial work, or 5) administration, management, or sales." Figure 7 shows the results to this question.

Figure 7: Work Experience in Distribution Center or Warehouse

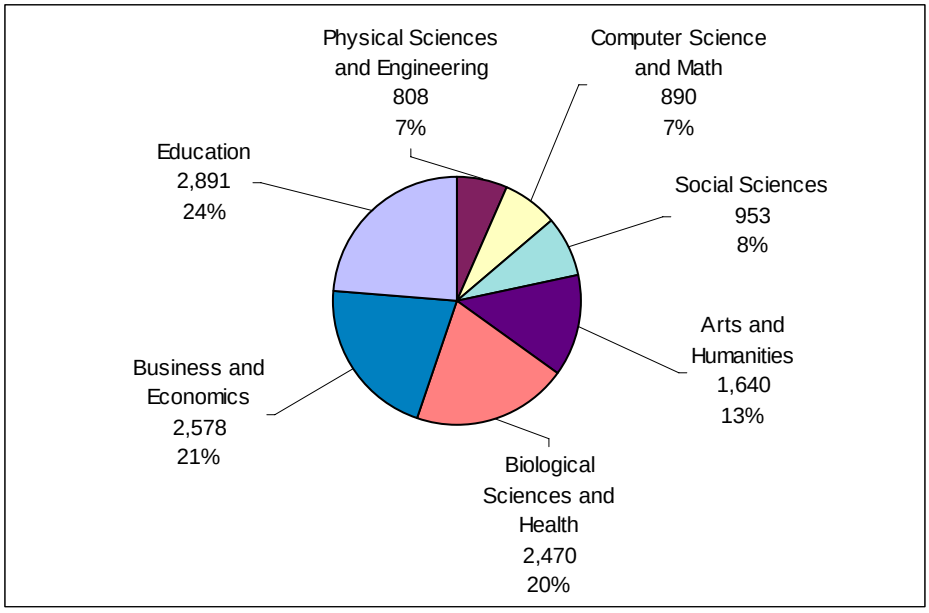


Respondents that have completed college or are currently enrolled in a college or university were asked to provide their undergraduate college major. Answer options included:

Social Sciences:	Sociology, Psychology, Anthropology, Politics, and Social Work
Biological Sciences and Health:	Biology, Agriculture, Nursing, Pre-med, Pre-vet, and Human Performance
Physical Sciences and Engineering:	Physics, Geology, Chemistry, and Engineering
Business and Economics:	Management, Accounting, Finance, Marketing, and Economics
Arts and Humanities:	Art, Music, History, Philosophy, and Languages
Computer Science and Math:	Computer Programming or Technology, Networking, Web design, and Math
Education:	Elementary and Secondary Teaching

The figure below shows that most college-educated ALP members indicate a college major in Education (24%), while Business and Economics and Biological Sciences and Health follow with 21% and 20%, respectively.

Figure 8: Undergraduate College Major



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 region with a large percentage of individuals unwilling to change their jobs might limit the types of employers that can enter the labor basin. This does not seem to be the case in the Southeast Kansas Labor Basin, however. Figure 9 indicates that 38,143 (85%) members of the Available Labor Pool are willing to accept positions outside of their primary fields of employment.

Table 4 and Figure 10 suggest that the Available Labor Pool in the Southeast Kansas Labor Basin is open to commuting. Slightly more than 35% of the members (or 15,855 individuals) of the Available Labor Pool will commute up to 45 minutes, one way, for an employment opportunity. Nearly 80% will commute up to 30 minutes for employment, and about 95% will travel up to 15 minutes for employment.

Figure 9: Willing to Work Outside of Primary Field

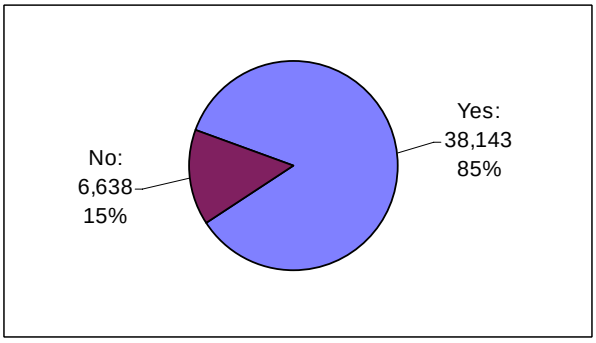


Table 4: Available Labor by Commute Minutes

	Number	Cumulative Percent
More than 60 Minutes	1,682	3.8
Up to 60 Minutes	10,348	23.1
Up to 55 Minutes	10,348	23.1
Up to 50 Minutes	10,526	23.5
Up to 45 Minutes	15,855	35.4
Up to 40 Minutes	16,912	37.8
Up to 35 Minutes	17,017	38.0
Up to 30 Minutes	35,451	79.2
Up to 25 Minutes	36,053	80.5
Up to 20 Minutes	39,984	89.3
Up to 15 Minutes	42,455	94.8
Up to 10 Minutes	43,711	97.6
Up to 5 Minutes	44,781	100.0

The total might not sum precisely due to rounding.

Figure 10: Available Labor by Commute Minutes

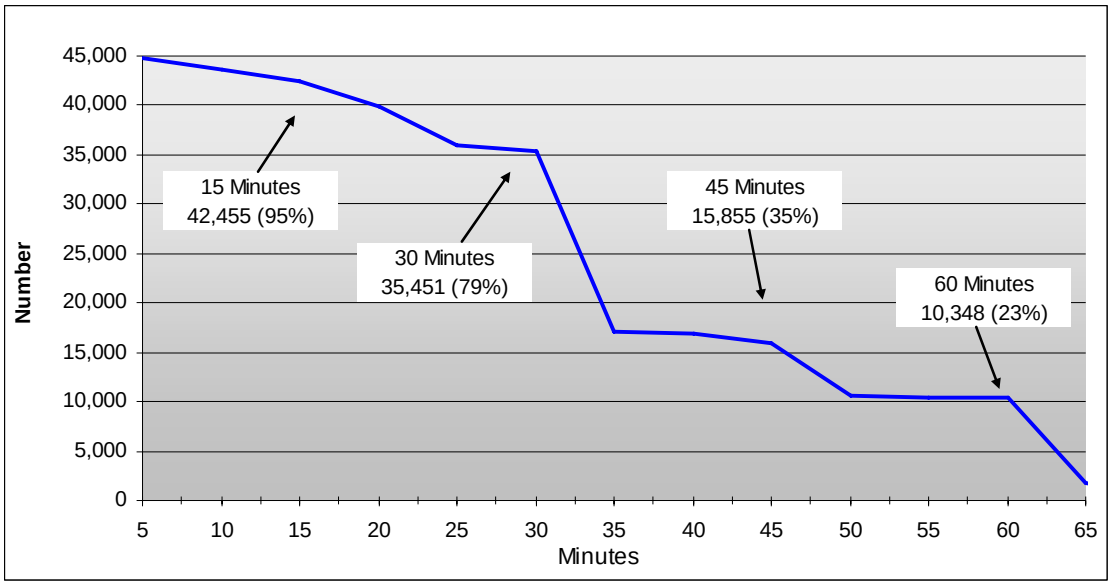


Figure 11 shows various benefits affecting the decisions of current workers to take a different job and potential workers to take a new job. The five most important benefits are good retirement benefits, good salary or hourly pay, good health benefits, on-the-job or paid training, and good vacation benefits. Each of these five benefits received more than 80% support from survey respondents.

Figure 11: Benefits Very Important to Change Employment

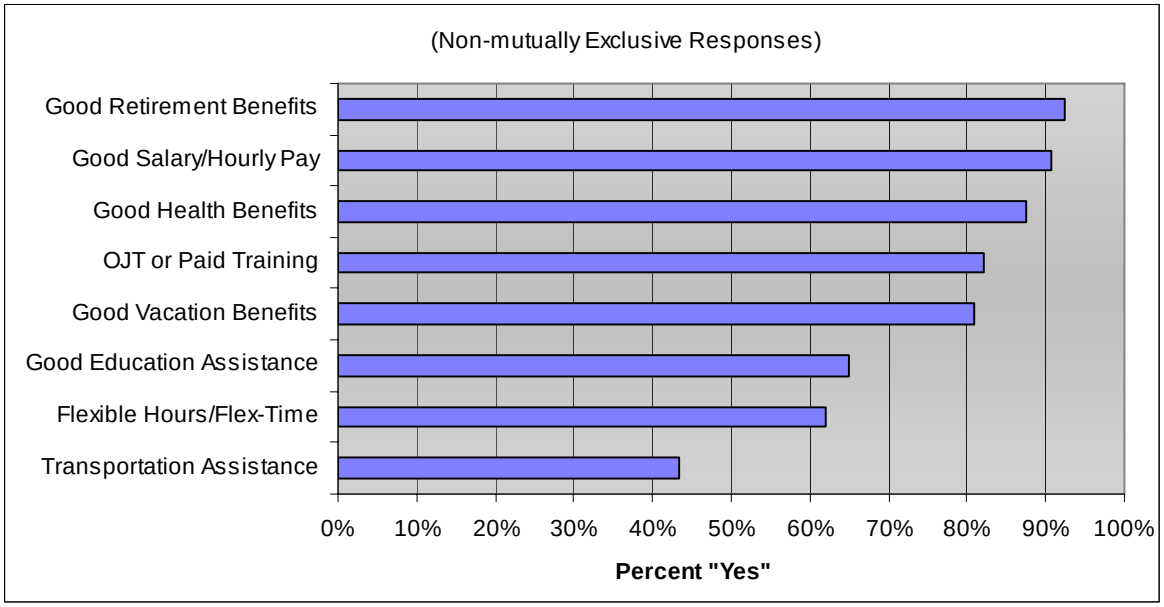


Table 5 lists some of these benefits, as well as percentages of ALP members that are currently offered these benefits. The figures in the left percent column indicate the percentages of all ALP members that suggest a benefit is an *important* consideration in taking a new or different job, while the figures on the right show the percentages of *working members* of the ALP that have been offered the benefit by their employers.

Table 5: Desired Benefits and Current Benefits Offered

	Benefit Important to Change Jobs	Benefit Currently Received*
	Percent	Percent
Good Retirement Benefits	92.5	70.4
Good Health Benefits	87.6	78.7
OJT or Paid Training	82.1	69.3
Good Education Assistance	65.0	42.2
Flexible Hours/Flex-Time	61.9	51.3
Transportation Assistance	43.5	18.0

* This column respresents responses from working ALP members only.

Wage Demands

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 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 estimate 15 minutes from Parsons 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 12: Available Labor by Hourly Wage (Controlling for Willing to Commute)

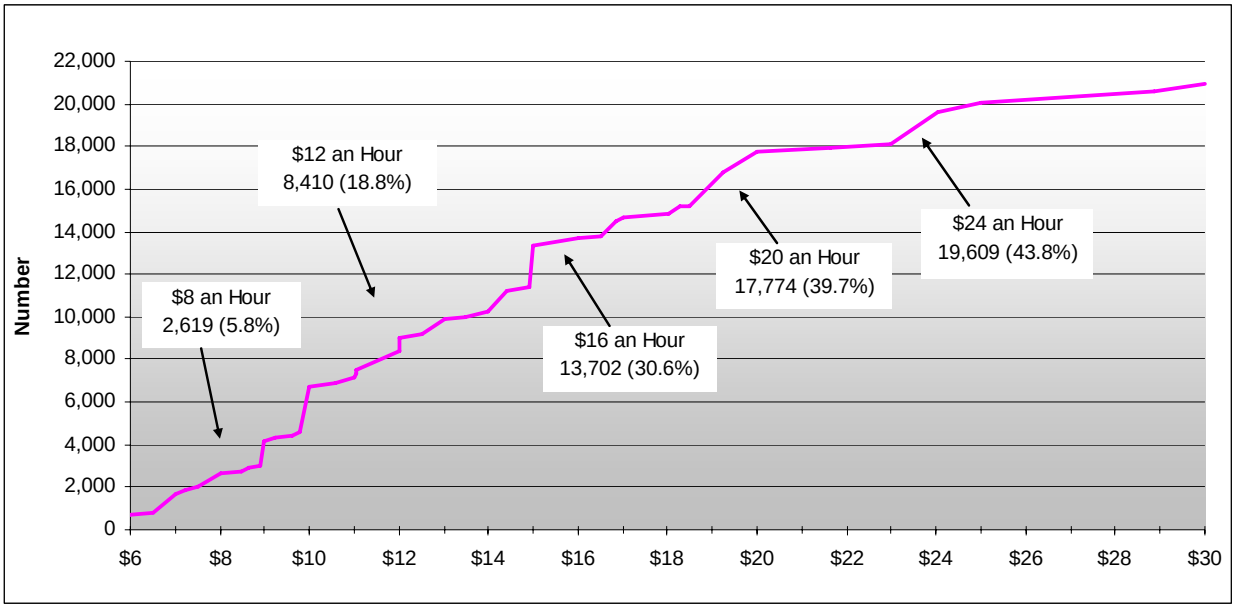


Figure 12 shows the wage demands for the ALP members that are "willing to commute." It is estimated that 19,609 people (or about 43.8%) are interested in a new job at $24 an hour[4]. Approximately 17,774 (or about 39.7%) members of the labor pool are interested in new employment opportunity at $20 an hour, while 13,702 (30.6%) are interested at $16 an hour. Additionally, about 8,410 people (about 18.8%) are interested in a new job at $12 an hour and 2,609 (5.8%) at $8 an hour.

Figure 12 suggests the obvious: that the higher the wage, the larger the pool of available labor. For example, 4,184 members of the ALP are available for a new or different job at $9.00 an hour. At $10.00 an hour, however, the size of the available labor increases to 6,747 members. This represents an increase of 2,563 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 an insignificant or small increase in available labor. For example, 683 members of available labor are interested in a job at $6.00 an hour. At $6.50 an hour there are

[4] See Appendix II for an hourly wage/annual salary conversion chart.

an estimated 834 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 151 individuals. Similarly, there are about 6,880 individuals available at $10.00 an hour but only about 135 more available at $10.50 an hour. Additional wage plateaus can be seen between $17 and $18 (a 139-individual increase) and $15 to $16 (a 78-individual increase).

Table 6 shows the four main occupational sectors[5] of the ALP. The table shows almost 15% of the general labors will take a new or different job at a wage of $9 an hour. Almost two-thirds (63%) are available for new employment at a wage of up to $15 an hour. Of the skilled laborers, 21% are available at $15 an hour, while no skilled blue-collar workers that are willing to commute the necessary distance are available at $9 an hour or less.

Almost 20% of the service workers are available at $9 an hour, while 57% are available at $15 an hour. On the other hand, nearly 20% of the professional workers are available at $15 an hour, while none are available at $9 an hour.

Table 6: Cumulative Wage Demands for Occupational Sectors

	General Labor (N= 45) (+/- 14.6% MoE)		**High Skilled Labor** (N= 16) (+/- 24.3% MoE)		**Service Sector** (N= 55) (+/- 13.2% MoE)		**Professional/Sales** (N= 27) (+/- 18.7% MoE)	
	Number	*Cumulative*	*Number*	*Cumulative*	*Number*	*Cumulative*	*Number*	*Cumulative*
$30 or More	7,540	100%	2,723	100%	9,154	100%	4,579	100%
Up to $30	7,373	98%	2,543	93%	8,408	92%	2,791	61%
Up to $27	7,373	98%	2,543	93%	8,209	90%	2,398	52%
Up to $24	6,489	86%	2,226	82%	7,729	84%	1,958	43%
Up to $21	6,489	86%	2,032	75%	7,530	82%	1,958	43%
Up to $18	5,673	75%	1,225	45%	6,474	71%	1,230	27%
Up to $15	4,747	63%	573	21%	5,243	57%	851	19%
Up to $12	3,506	46%	199	7%	3,514	38%	330	7%
UP to $9	1,103	15%	0	0%	1,724	19%	0	0%
Up to $6	0	0%	0	0%	393	4%	0	0%

[5] These sectors represent *employed* members of the ALP only.

Table 7 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. Specifically, the table *includes* data from respondents that:

1 are willing to commute the necessary distance 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 7: Cumulative Wage Demands Allowing Mobility between General Labor and Service Sector

	Mobile General Labor (N= 102) (+/- 9.7% MoE)		**Mobile Service Sector** (N= 108) (+/- 9.4% MoE)	
	Number	*Cumulative*	*Number*	*Cumulative*
$30 or More	15,326	100%	16,234	100%
Up to $30	14,678	96%	15,250	94%
Up to $27	14,678	96%	15,071	93%
Up to $24	13,453	88%	13,845	85%
Up to $21	13,453	88%	13,666	84%
Up to $18	12,127	79%	11,982	74%
Up to $15	9,733	64%	9,588	59%
Up to $12	6,917	45%	6,637	41%
UP to $9	3,011	20%	2,832	17%
Up to $6	683	4%	683	4%

Table 6 (previous page) presents data representing each occupational sector *independently* and Table 6 does not include non-working ALP members. Table 7, 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. 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 7 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 - at least 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 Southeast Kansas 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.

Of the 40,348 *employed members* of the ALP (shown in Figure 13), slightly less than half answered "yes" to one or more of the questions presented above and are considered underutilized. Figure 14 shows that the underutilized workers represent 46% (or 18,721 individuals) of the employed members of the ALP.

Figure 13: Employed Members of the Available Labor Pool

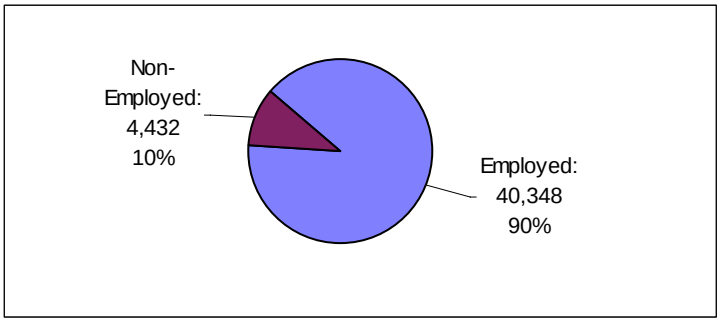


Figure 14: Underutilized Workers

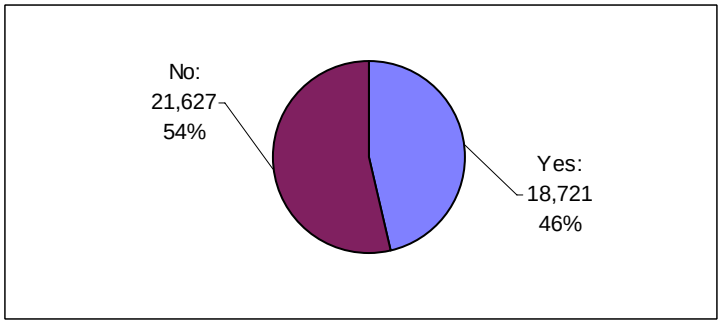


Figure 15 shows the percentages of the positive responses (i.e., "yes" answers) to the various measures of underutilization. About 36% (or 6,667 members) of this subset of the ALP consider themselves as possessing education levels exceeding those needed for their current jobs, while about 32% (5,917) consider themselves underutilized because they have skills that are not being used on the job. Twenty-seven percent (5,010 individuals) had a previous but similar job that provided more income, while about 14% (2,688 individuals) suggest they are not able to work enough hours.

Figure 15: Reasons for Underutilization

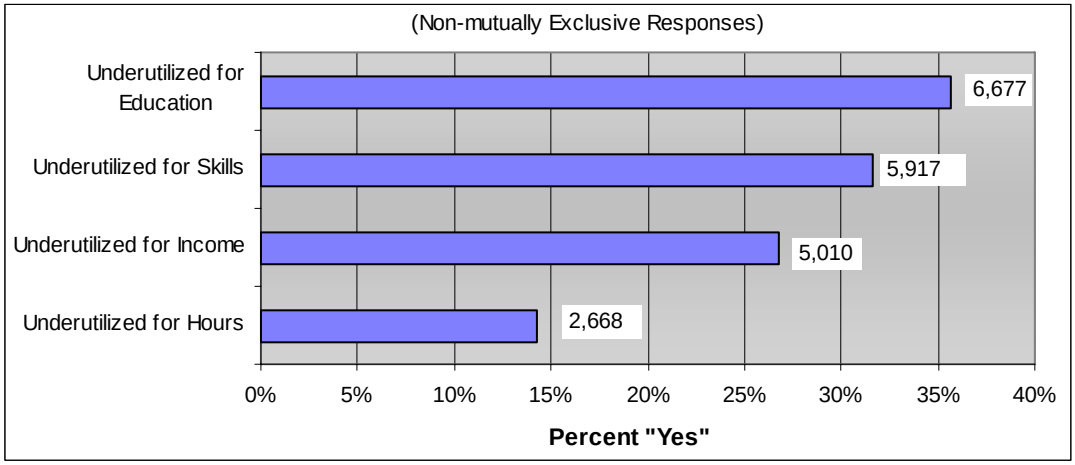


Table 8 and Figure 16 (next page) show some characteristics of the underutilized members of the Available Labor Pool. Table 8 indicates that the education level of the underutilized workers compares to the overall ALP with almost 70% having at least some college education and almost 40% having completed associates degrees. (Table 1 shows that 64.7% of the entire ALP have some college experience and 38.4% having completed an associate's degree).

Table 8: Highest Level of Education Achieved Among Underutilized

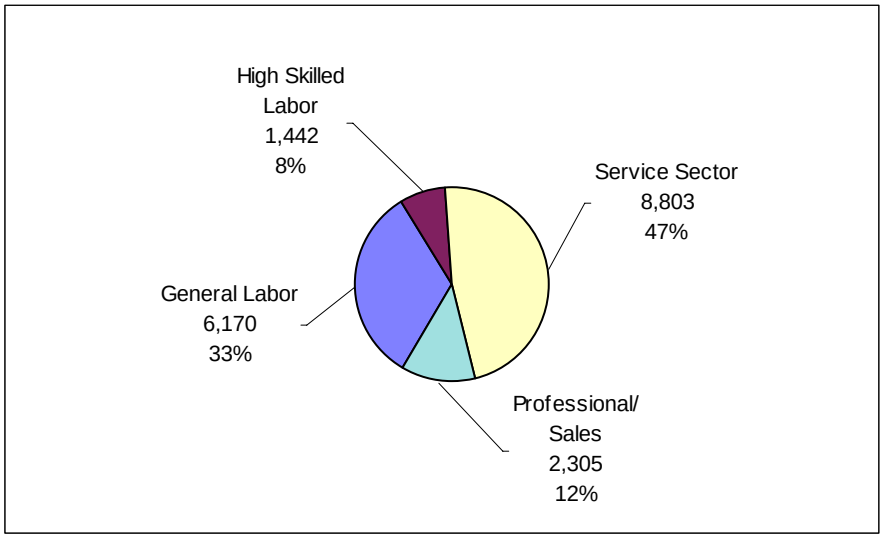
	Number	Percent	Cumulative Percent
Doctoral Degree	293	1.6	1.6
Masters Degree	1,101	5.9	7.4
Bachelors Degree	3,123	16.7	24.1
Associates Degree	2,882	15.4	39.5
Some College	5,651	30.2	69.7
High School Diploma Only	5,148	27.5	97.2
Less HS Diploma	523	2.8	100.0
Total	18,721	100	

The total might not sum precisely due to rounding.

Figure 16 shows that 33% (6,170 individuals) of the underutilized workers are employed as general laborers and 8% (1,442) are employed as skilled blue-collar workers. Most underutilized workers are employed as service sector and support workers (47% or 8,803 individuals), while 12% (2,305) hold professional positions.

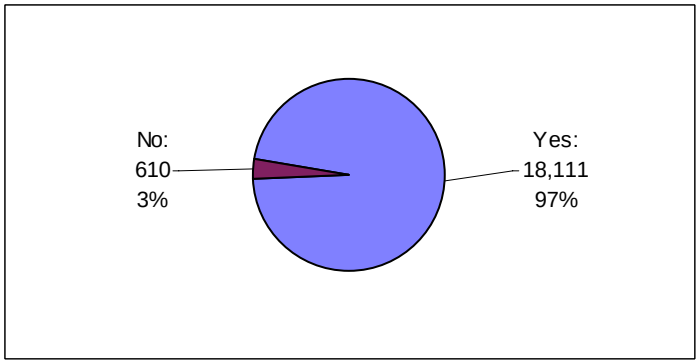
Comparing Figure 16 to Figure 2 suggests that more general laborers and service workers consider themselves as underutilized than do skilled laborers and professional workers. Figure 2 shows that the ALP consists of: 26% general laborers, 8% skilled-laborers, 48% service workers, and 18% professionals. Figure 16 shows 33% general laborers, 8% skilled-laborers, 47% service workers, and 12% professionals.

Figure 16: 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 17 suggests that nearly all – 97% (or 18,111 individuals) – of the underutilized workers are willing to change jobs to address underutilization.

Figure 17: Willing to Change Job to Better Use Skills/Education



Entrepreneurship Among Available Labor Pool Non-Business Owners

The desire for self employment may be another indicator of the types of workers available in the labor basin. Figure 18 shows that of the 44,781-member Available Labor Pool, 13% own their own businesses.

Figure 18: Business-Ownership

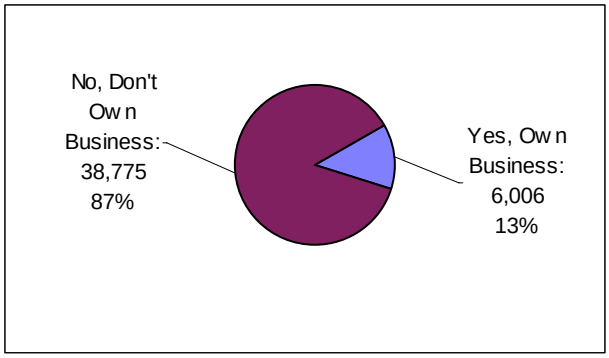
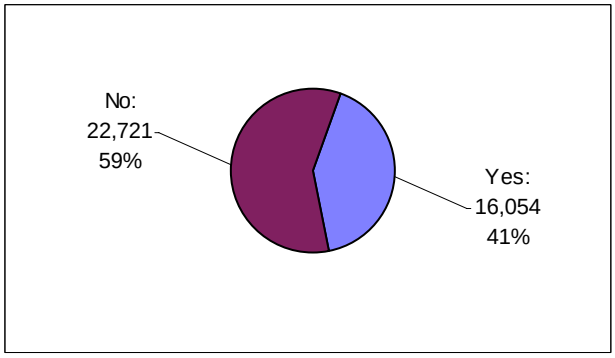


Figure 19: "Seriously Thought About Starting Own Business?"



The ***non-business owning members of the ALP*** (estimated to be 38,775 or 87% of the entire ALP) were asked the question: "In the last few years have you seriously thought about starting your own business?" Figure 19 shows that more than a third (41% or 16,054) of the non-business-owning members of the ALP indicate that they had seriously considered this option for new employment. This subset of the ALP can be considered ***potential entrepreneurs***.

Table 9 and Figures 20 and 21 (next page) show some characteristics of the ***potential entrepreneurs***. Table 9 indicates that the education level of the potential entrepreneurs is slightly less than the overall ALP, with about a fifth (21.1%) holding at least a bachelor's degree and 96.2% having high school diplomas (whereas Table 1 shows 25.4% and 95.4% for bachelor's degree and high school diploma, respectively).

Table 9: Highest Level of Education Achieved Among Potential Entrepreneurs

	Number	Percent	Cumulative Percent
Doctoral Degree	218	1.4	1.4
Masters Degree	1,294	8.1	9.4
Bachelors Degree	1,871	11.7	21.1
Associates Degree	2,540	15.8	36.9
Some College	4,357	27.1	64.0
High School Diploma Only	5,164	32.2	96.2
Less HS Diploma	609	3.8	100.0
Total	16,054	100.0	

The total might not sum precisely due to rounding.

Figure 20 shows that 29% (4,729 individuals) of the potential entrepreneurs are currently employed as general laborers and that 12% (1,969) are currently employed as skilled blue-collar workers. Most are employed as service sector and support workers (43% or 6,764 individuals), while 16% (2,592) hold professional positions.

Figure 20: Occupational Sectors of Potential Entrepreneurs

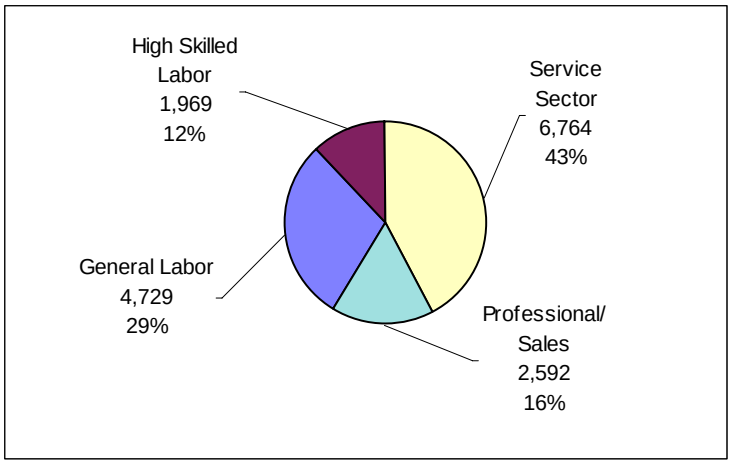
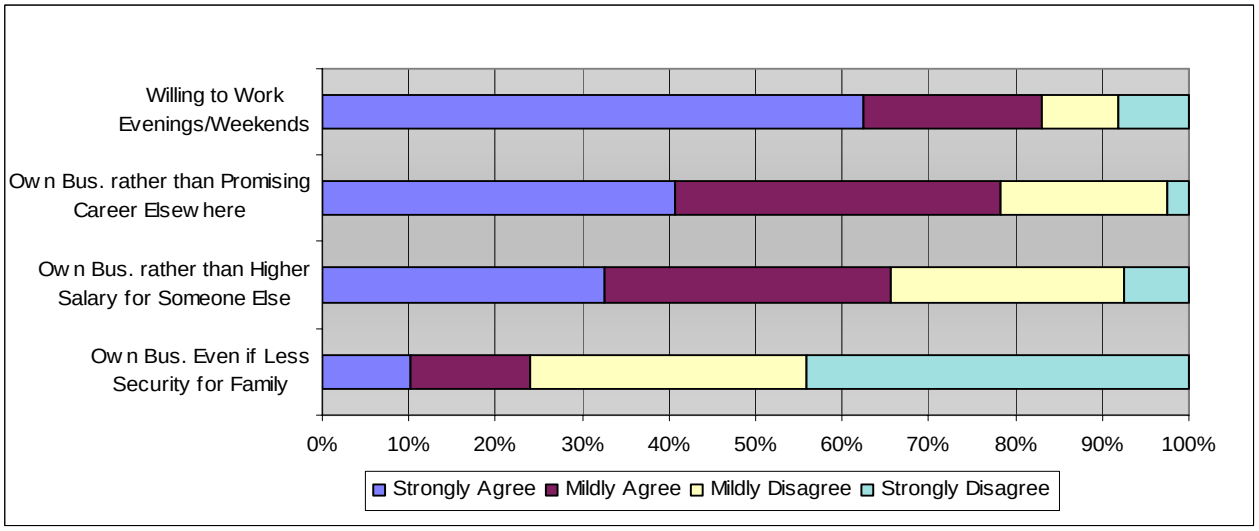


Figure 21 suggests the strength of desire to own a business. About 63% of this subset of the ALP indicate that they "Strongly Agree" with a statement asking if they "are willing to work evenings or on weekends to make their business a success," while about 21% indicate that they "Mildly Agree." About 41% "Strongly Agree" with a statement asking if they "would rather own their own business than pursue a promising career elsewhere," while 38% "Mildly Agree."

About 33% indicate that they "Strongly Agree" with a statement regarding the pursuit of their own business rather than earning a higher salary working for someone else, while another 33% indicate that they "Mildly Agree" with that same statement. When presented with the statement, "I am willing to have less security for my family in order to operate my own business," 11% strongly agreed and 14% mildly agreed. More respondents disagreed with this statement than any other, with 32% mildly disagreeing and 44% strongly disagreeing.

Figure 21: Strength of Desire for Own Business



Methodology

The Southeast Kansas Labor Basin has a total population of approximately 201,687, and a Civilian Labor Force (CLF) of 102,364. The Docking Institute's analysis suggests that the basin contains an Available Labor Pool (ALP) of 44,781 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 Southeast Kansas 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 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[6]." 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[7]. Secondly, the number of potential workers is then

[6] 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).

[7] 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 Southeast Kansas Labor Basin includes 44,781 individuals. This represents a substantial number of workers and potential workers for employers to draw upon in the Southeast Kansas Labor Basin.

Survey Research Methods

Data for this study was collected from a random digit telephone survey[8] of adults living in five counties in southeast Kansas and three counties in northeast Oklahoma. Surveying took place from April 10, 2006 to May 16, 2006, using a Computer Assisted Telephone Interviewing (CATI) system. A total of 1,923 households were successfully contacted during the data collection period, and a randomly selected adult[9] in each was asked to participate in the study. In 1,112 households the selected adult agreed to be interviewed. This represents a cooperation rate of 58% and a margin of error of +/-2.94%.

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 714, and are considered eligible respondents. Of the 714 cooperating and eligible respondents, 42% (or 298) 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 Southeast Kansas Labor Basin. Responses from 298 individuals provides a margin of error of +/- 5.68%.

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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[8] 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.

[9] 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	5,377	12.0
Farm Labor/Ranch Hand/Landscaping	494	1.1
Delivery/Driver/Courier	1,076	2.4
Maintenance/Wiring/Plumbing	1,935	4.3
Factory Worker/Grain Elevator/Meat Packer	405	0.9
Truck Driver/Heavy Equipment Operator	1,299	2.9
Police/Fire/Postal/Military Enlisted	1,081	2.4
Mechanic/Welder/Carpenter/Electrician	1,346	3.0
Lab or Medical Tech/Comp Tech/Programmer	915	2.0
Other Blue Collar	0	0.0
General Customer Service/Retail/Reception/Waitress	6,298	14.1
Clerical/Secretary/Book-Keeper/Bank Teller	4,074	9.1
Para-legal/Para-pro/CNA/Care Assistance	2,340	5.2
Nurse/LPN/RN/Semi-skilled Social Service	2,064	4.6
Office Manager/Small Business Owner	4,272	9.5
Writer/Instructor/Researcher	542	1.2
Sales/Marketing/Accounting	1,915	4.3
Govt., Non-Profit, or Bus Exec/Farm Owner/Military Officer	351	0.8
Teacher/Counselor/Social Worker/Physician's Assistant	3,383	7.6
Professor/Doctor/Scientist/Engineer/Attorney	1,182	2.6
Other White Collar	0	0.0
Homemaker	949	2.1
Full-Time Student	674	1.5
Unemployed	1,404	3.1
Retired	720	1.6
Disabled	687	1.5
Total	44,781	100

The total might not sum precisely due to rounding.

Appendix II: Hourly Wage to Annual Salary Conversion Chart

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

Hourly Wage	Annual Salary
$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