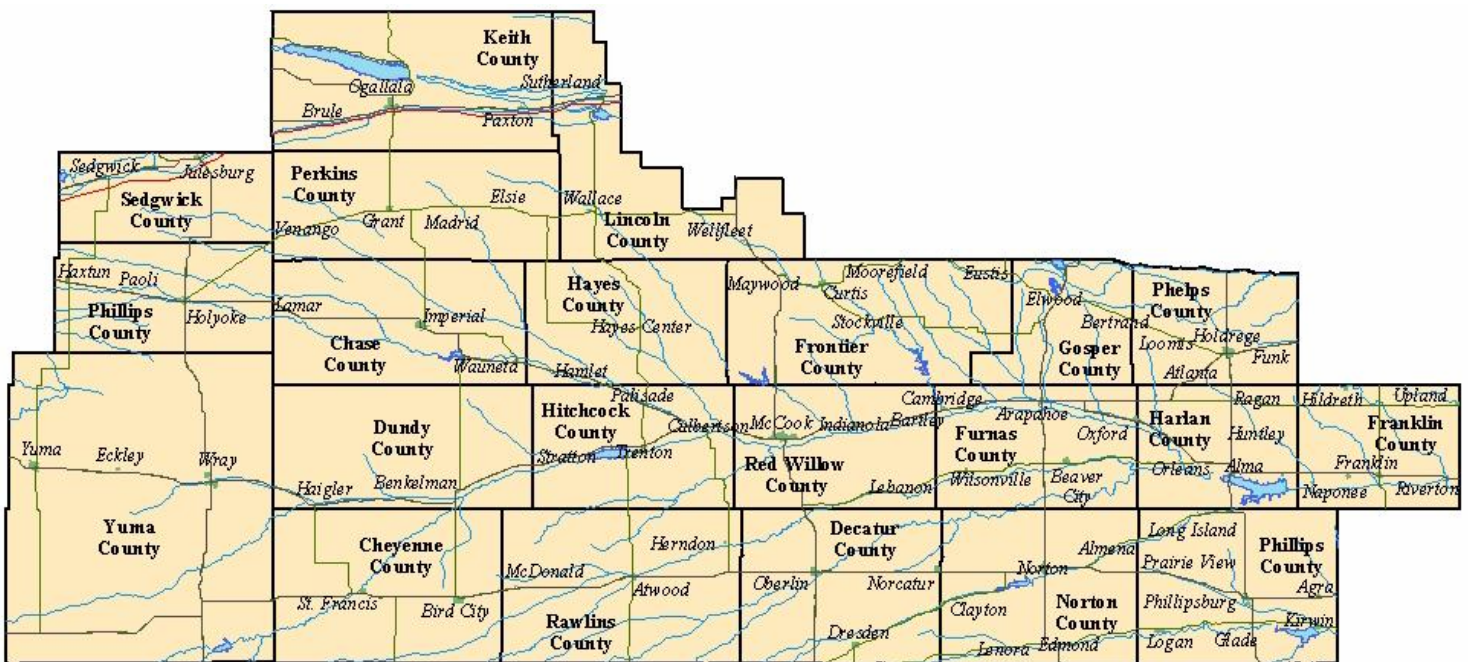


SW Nebraska Regional Summary

Labor Availability Analysis

CHASE (NE), CHEYENNE (KS), DECATUR (KS), DUNDY (NE), FRANKLIN (NE), FRONTIER (NE), FURNAS (NE), GOSPER (NE), HARLAN (NE), HAYES (NE), HITCHCOCK (NE), NORTON (KS), KEITH (NE), PERKINS (NE), PHELPS (NE), PHILLIPS (CO), PHILLIPS (KS), RAWLINS (KS), RED WILLOW (NE), SEDGWICK (CO), YUMA (CO), AND THE SOUTHWEST PORTION OF LINCOLN (NE).



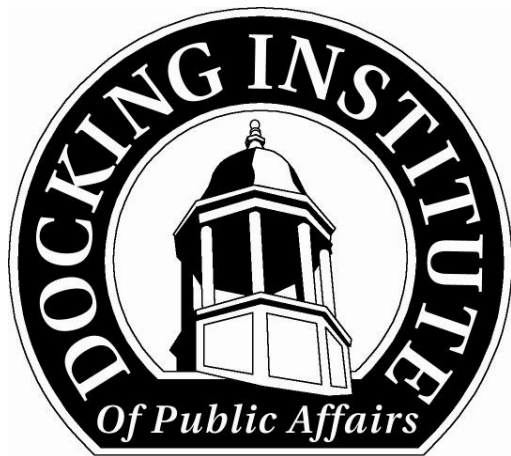
Prepared For

City of Curtis and the Southwest Nebraska Development Network

Prepared By

The Docking Institute of Public Affairs

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Mission:
To Facilitate Effective Public Policy Decision-Making.

The staff of the Docking Institute of Public Affairs and its University Center for Survey Research are dedicated to serving the people of Kansas and surrounding states.

SW Nebraska Regional Summary Labor Availability Analysis

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SW Nebraska Regional Summary Labor Availability Analysis

Executive Summary

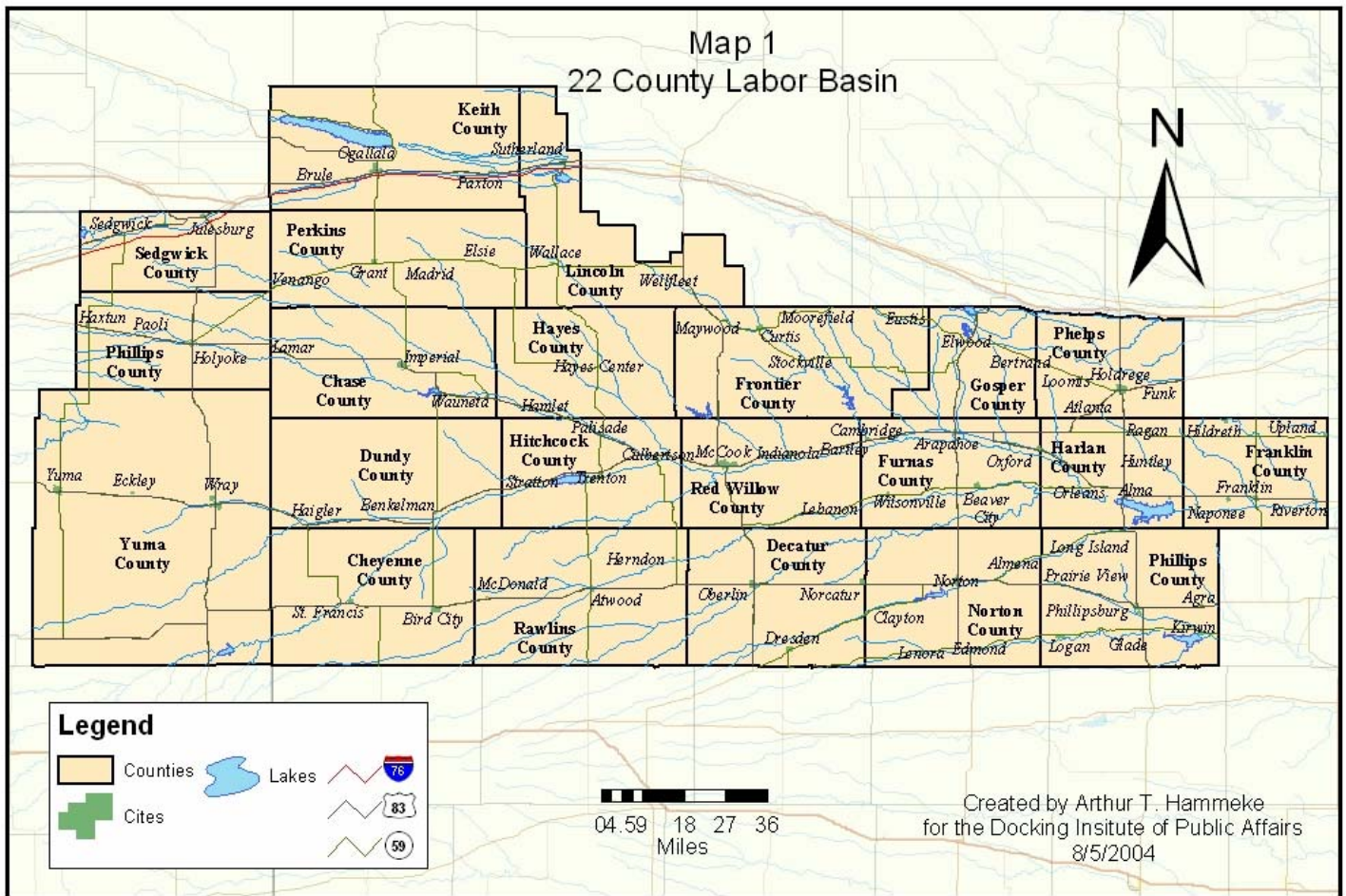
The Southwest Nebraska Regional Labor Basin includes Chase, Dundy, Franklin, Frontier, Furnas, Gosper, Harlan, Hayes, Hitchcock, Keith, Perkins, Phelps, Red Willow, and Lincoln Counties in Nebraska; Cheyenne, Decatur, Norton, Phillips, Rawlins Counties in Kansas; and Phillips, Sedgwick, Yuma Counties in Colorado. The purpose of this report is to assess the “Available Labor Pool” in this regional 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 Southwest Nebraska Regional Labor Basin is estimated to be 99,641. Almost 23% of the total population (or 22,635 individuals) are considered to be part of the Available Labor Pool.
- Of the Available Labor Pool, it is estimated that 1,253 non-working and 3,401 working individuals are **looking** for new employment, while 2,991 non-working and 14,990 working individuals would **consider** new and/or different employment for the right opportunities.
- Slightly more than 68% of the Available Labor Pool has at least some college experience and nearly the entire Pool (95.4%) has at least a high school diploma. The average age for members of the Available Labor Pool is 46 years.
- A substantial majority (almost 84% or about 19,014 members) of the Available Labor Pool indicate that they are “willing work outside of their primary field of employment for a new or different employment opportunity.”
- Almost 27% of the members (or 6,024 individuals) of the Available Labor Pool will commute up to 40 minutes, one way, for an employment opportunity. About 73% (or 16,558 individuals) will commute up to 30 minutes for employment, and a 93% (or 21,093 individuals) will travel up to 15 minutes for employment.
- About 13,900 people (61%) are interested in a new job at \$15 an hour (31,200 per year), 10,440 (46%) are available at \$12 an hour (24,960 per year), and 4,770 are available at \$9 an hour (18,720 per year). Slightly more than 440 people (2%) are interested in a new job at \$6 an hour (12,480 per year).
- 8,644 (47%) of the **working** members of the Available Labor Pool consider themselves underutilized. More than 70% of the underutilized workers have some college experience, and a majority (85%) of the underutilized workers is willing to change jobs to address their underutilized status.

The SW Nebraska Labor Region

The SW Nebraska Labor Region encompasses portions of 22 counties in southwest Nebraska, northwest Kansas, and northeast Colorado (see Map 1 below). The SW Nebraska Labor Region has a total population of approximately 99,641, and a Civilian Labor Force (CLF) of 51,678. There is an unemployment rate of 2.46%, but there is an ample supply of available labor in this labor basin. The Docking Institute's independent analysis of this labor basin shows that there are 4,654 workers and non-workers (9% of the CLF) who are actively looking for new or different employment, and 17,981 (35% of the CLF) who would consider new or different 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. As mentioned previously, the CLF for the SW Nebraska Labor Region is 56,798 workers.

While a review of CLF statistics represents the starting point for understanding the labor force in and around southwest Nebraska, there are some limitations associated with these statistics. These limitations occur because the CLF *excludes* individuals who may be willing and able to be gainfully employed but have not made specific efforts to find employment in the last four weeks. These individuals may include full-time students who do not work, homemakers, the unemployed who are no longer seeking employment, military personnel who may be leaving military employment in the near future and retired individuals who may be willing to work but have not been looking for work recently.

In addition, most new employers draw their workforce from those who are presently employed, not those who are unemployed. As such, Census-based and BLS data (such as the CLF) does not address the possibility of workers moving from one industry to another in search of other employment opportunities. Relying solely upon CLF-type statistics can lead communities to be stereotyped as providing only certain types of workers to potential employers. For example, a labor basin might be classified as able to provide blue-collar employment only, while, in reality, the quantity and quality of workers might be sufficient to support the needs of non-professional service sector/information-based employers. In sum, aggregate CLF-type data simply cannot reveal detailed aspects of a labor pool that might be available for new employment opportunities.

The 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 employment, 2) currently retired and/or non-working in any manner *and* seeking 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

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 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 or 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 SW Nebraska Labor Region includes 22,965 individuals. This represents a substantial number of workers and potential workers for employers to draw upon in the SW Nebraska Labor Region.

The SW Nebraska Labor Region's Available Labor Pool

This section assesses the characteristics of the Available Labor Pool in the SW Nebraska Labor Region 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? 3) What proportion of those workers among the available labor pool are considered “underutilized “ workers? and 4) What are some of the characteristics of those underutilized workers?

The percent of the study area population in the Available Labor Pool is derived from a telephone survey of 1,199 employed (676) and non-employed (523) adults living in the SW Nebraska Labor Region. When all 1,199 respondents are included in the analysis, the survey findings have a margin of error of +/- 2.83%. The margin of error for subgroups is higher. Most of these analyses are based on a subgroup of respondents who were determined to be in the Available Labor Pool (see definition above). For these 479 respondents, the survey has a margin of error of +/- 4.4%. Please see the Methods section of this report for more details about the survey methodology used in this study.

Figure 1 (next page) shows that there is an Available Labor Pool in the SW Nebraska Labor Region of 22,635³. It is estimated that 1,253 non-employed⁴ and 3,401 employed individuals are **currently looking** for new or different employment, while 2,991 non-employed individuals and 14,990 employed individuals would consider changing employment for the right opportunities.

³ The Available Labor Pool includes individuals that indicate that they are looking for or are available for full-time employment, and individuals that indicate that they are available for both full-time and part-time employment.

⁴ The terms “non-employed” and “non-working” refer not only to official unemployed members of the Civilian Labor Force. These terms also include any non-employed/non-working full-time students, homemakers, retirees, and disabled individuals.

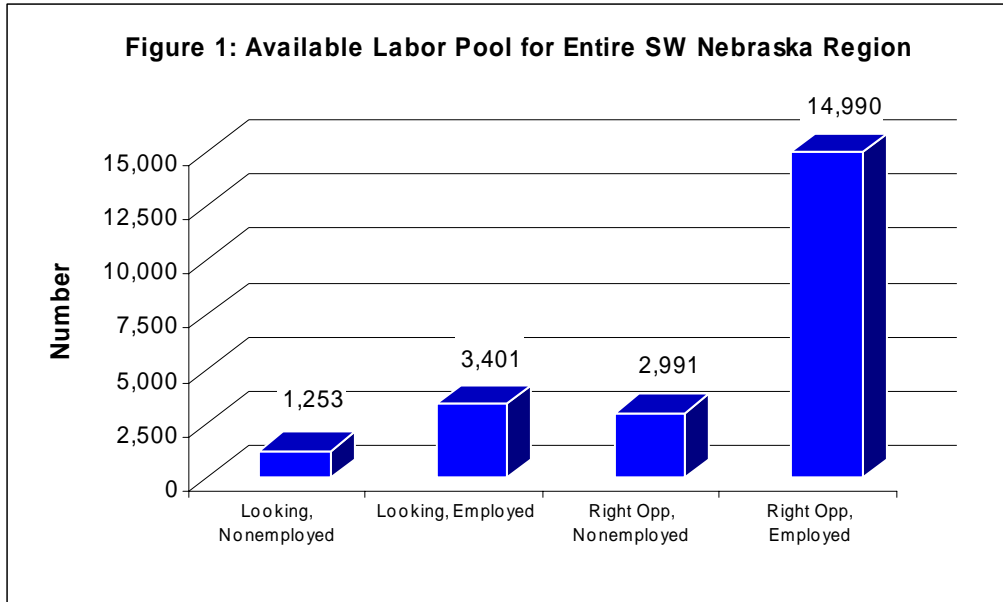


Table 1 shows the gender, age statistics, and educational levels of the 22,635-member Available Labor Pool. About 55% are women, and the average age is 46. The educational levels of the Available Labor Pool are high. Almost all (95.4%) have at least a high school diploma, more than two-thirds (68.2%) have at least some college education, and almost a quarter (23.3%) have at least a Bachelors Degree.

Table 1: Age, Gender, and Education Level of Available Pool

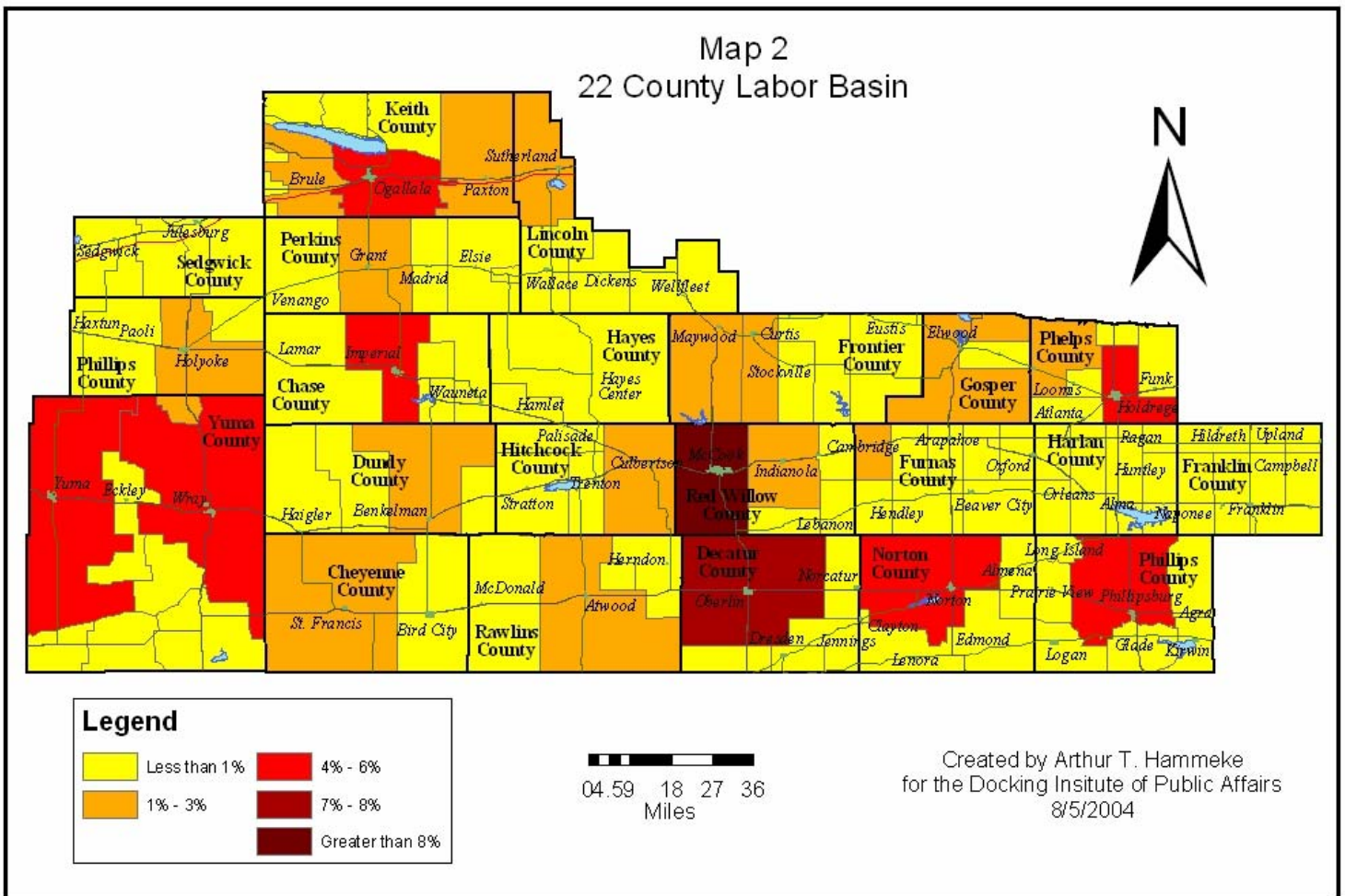
Age	Age in 2004		
Average	46		
Median	46		
Gender	Number	Percent	
Female	12,525	55.3	
Male	10,111	44.7	
Total	22,635	100.0	
Highest Level of Education Achieved	Number	Percent	Cum. Percent
Doctoral Degree	32	0.1	0.1
Masters Degree	1,620	7.2	7.3
Bachelors Degree	3,619	16.0	23.3
Associates Degree	3,971	17.5	40.8
Some College	6,195	27.4	68.2
High School Diploma Only	6,156	27.2	95.4
Less HS Diploma	1,042	4.6	100.0
Total	22,635	100.0	

Table 2 shows the various occupational categories of the 22,635 members of the Available Labor Pool. Traditional blue-collar occupations represent almost 30% of the Available Labor Pool, including 3,143 general laborers, 1,614 farm workers, and 868 factory workers and heavy equipment operators. Traditional service-related and “pink-” and “white-collar” occupations represent almost 52% of the Available Labor Pool, including 3,388 customer service/clerical workers, 2,951 social service workers and paraprofessionals, 2,446 professionals, and 2,377 managers and sales operatives.

Table 2: Occupation of Available Labor

	Number	Percent
General Labor	3,143	13.9
Farm/Ranch Labor	1,614	7.1
Factory Worker/HEO	868	3.8
Technician/Mechanic	705	3.1
Gov't Service/Other BC	405	1.8
Customer Service/Clerical	3,388	15.0
Social Service/Para-Prof.	2,951	13.0
Management/Sales	2,377	10.5
Executives/Professionals	2,446	10.8
Writer/Researcher/Other WC	495	2.2
Hmaker/Student/Unemp	1,871	8.3
Retired/Disabled	2,373	10.5
Total	22,635	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 SW Nebraska Labor Region. Each zip code is grouped into one of five categories specified in the legend. The zip codes with the highest levels of available labor within the SW Nebraska Labor Region are located in Red Willow and Decatur Counties. However, between 4% and 6% of the Available Labor Pool also reside in Keith, Chase, Norton, Phillips, Phelps, and Yuma Counties combined.



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 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 jobs, it limits the type of employers who can enter the labor basin. This does not seem to be the case in the SW Nebraska Labor Region, however. Figure 2 indicates that 19,014 members of the Available Labor Pool (or 84% working and non-working individuals) are willing to accept positions outside of their primary fields of employment (for example, low-skill blue collar employment to low-skill service sector employment).

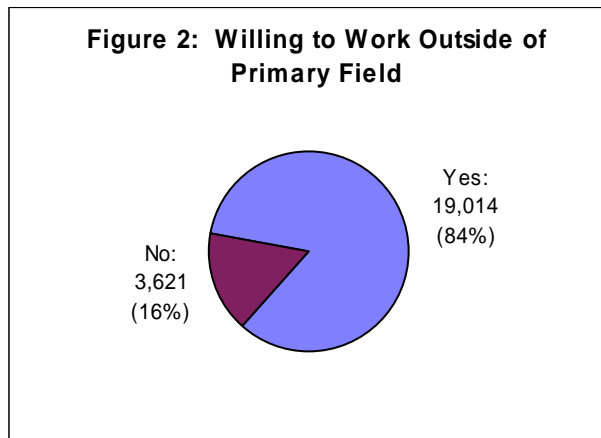


Table 3 and Figure 3 (next page) suggest that the Available Labor Pool in the SW Nebraska Labor Region is open to commuting. Almost 27% of the members (or 6,024 individuals) of the Available Labor Pool will commute up to 40 minutes, one way, for an employment opportunity. About 73% (or 16,558 individuals) will commute up to 30 minutes for employment, and 93% (or 21,093 individuals) will travel up to 15 minutes for employment.

Table 3: Time Available Labor Will Commute

	Number	Cumulative Percent
More than 60 Minutes	127	1.5
Up to 60 Minutes	3,385	15.0
Up to 55 Minutes	3,385	15.0
Up to 50 Minutes	3,591	15.9
Up to 45 Minutes	5,344	23.6
Up to 40 Minutes	6,024	26.6
Up to 35 Minutes	6,554	29.0
Up to 30 Minutes	16,558	73.2
Up to 25 Minutes	16,812	74.3
Up to 20 Minutes	19,356	85.5
Up to 15 Minutes	21,093	93.2
Up to 10 Minutes	21,866	96.6
Up to 5 Minutes	22,635	100.0

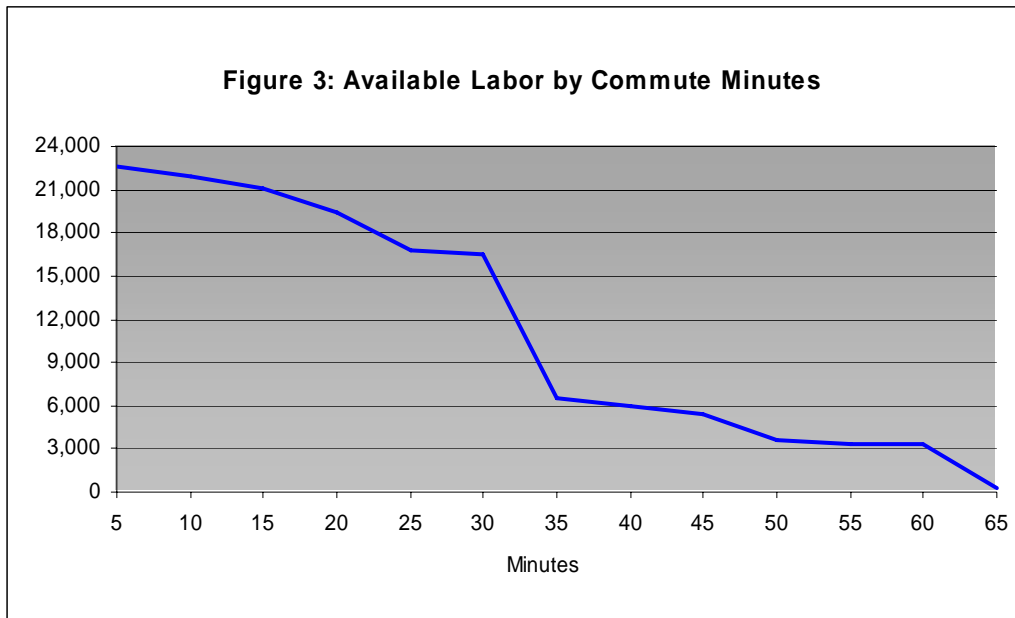


Table 4⁵ shows various benefits affecting the decisions of workers to take a different job and the decisions of potential workers to take a new job. The most important benefits are good retirement benefits, good health benefits, on-the-job training, and a good salary (84.4%, 84.1%, 82.6%, and 82.4%, respectively). These benefits are followed by flexible hours, good vacation benefits, good education benefits, and good life insurance benefits (72.3%, 69.7%, 66.4%, and 60.1%, respectively). Other benefits received less than 50% support.

Not surprisingly, many respondents (more than 80%) indicate that a good salary was an important benefit. It is interesting to note, however, that good retirement and health benefits, as well as training, received more support than salary. These figures suggest that employers might consider offering these benefits (or improve existing benefits) to attract new employees.

Table 4: Benefit Very Important In Decision to Change Employment

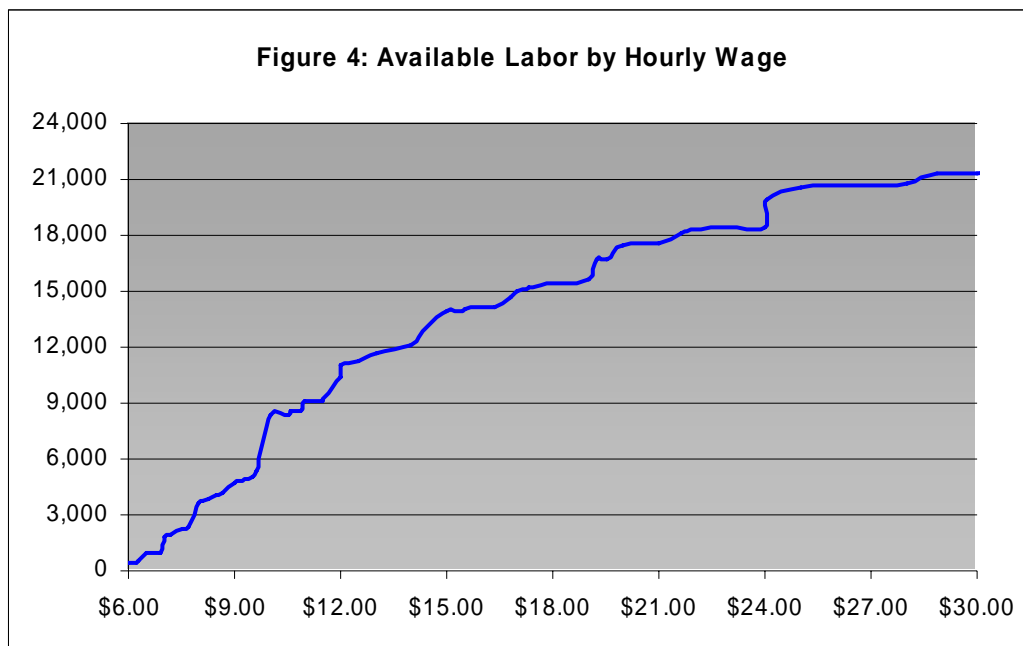
	Percent Responding "Yes"
Good Retirement Benefits	84.4
Good Health Benefits	84.1
OJT or Paid Training	82.6
Good Salary	82.4
Flexible Hours	72.3
Good Vacation Benefits	69.7
Good Education Benefits	66.4
Good Life Insurance Benefits	60.1
Work Closer to Home	47.5
Work in Different Community	28.4
Assistance with Childcare	23.3

⁵ The responses shown in Table 4 are *not* mutually exclusive (i.e., respondents could answer "yes" or "no" to more than one question).

Figure 4 shows the wage demands of the Available Labor Pool. It is estimated that 18,475 people (or about 82% of the available labor) are interested in a new job at \$24 an hour (or \$49,920 per year). Approximately 17,550 (or 78%) members of the labor pool are interested in new employment opportunity at \$21 an hour (\$43,680 per year), while 15,390 (68%) are interested at \$18 an hour (\$37,440 per year).

In addition, about 13,900 people (61%) are interested in a new job at \$15 an hour (31,200 yearly), 10,440 (46%) are available at \$12 an hour (\$24,960 per year), and 4,770 are available at \$9 an hour (\$18,720 per year). Slightly more than 440 people (2%) are interested in a new job at \$6 an hour (1\$2,480 per year).

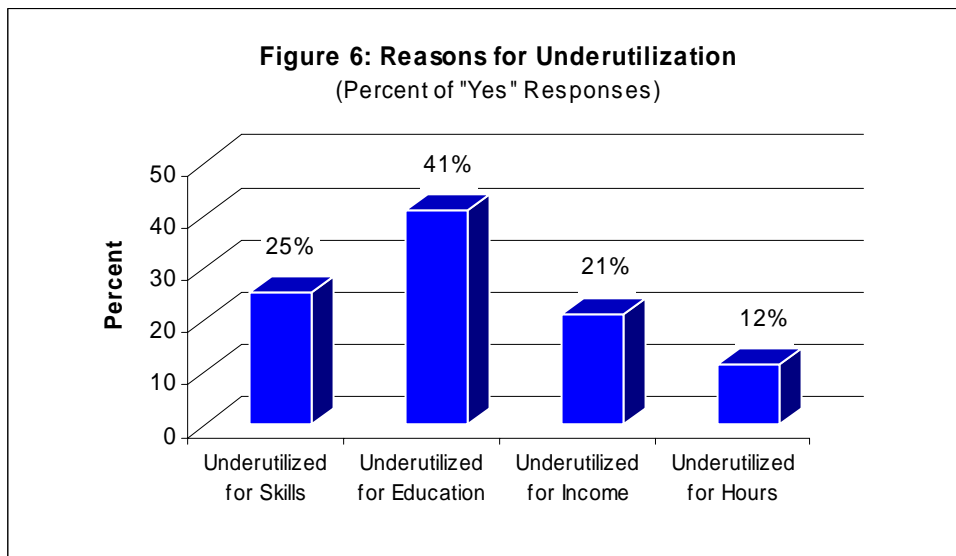
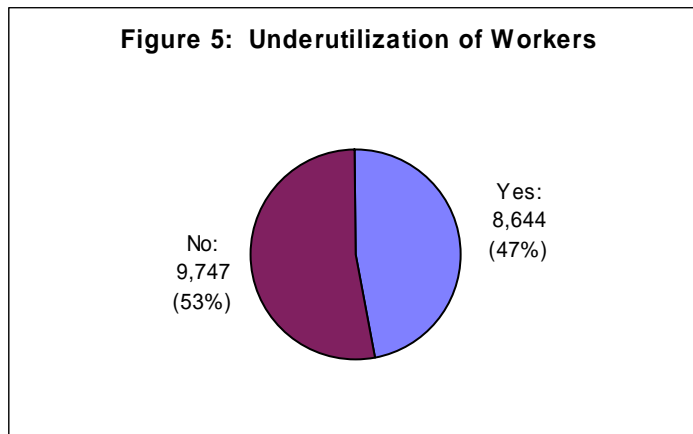
The graph below highlights various “wage plateaus,” that may be of interest to current and potential employers. While the graph clearly points out that the higher the wage, the larger the available labor; the graph also suggests that an employer might expect to find a similar number of employees available for jobs various wage levels. For example, about 8,320 members of the available labor are interested in a job at \$10.00 at hour. At \$10.50 an hour there are about 8,400 individuals available. So, there is certainly an increase in the number of available workers at this higher wage rate, but this increase is estimated to be only 80 individuals. Similar wage plateaus can be seen at the \$11 to \$11.50, \$15 to \$15.50, and \$18 to \$18.50 wage levels.



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 SW Nebraska Labor Region, **working 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 on the job because: their skill level is greater than their current job requires, they possess higher levels of education than is required on the job, they earned a higher income at a similar job previously, and/or their current position does not provide full-time hours.

Figure 5 indicates that slightly less than half (or 8,644) answered “yes” to any of these questions, and consider themselves underutilized. Figure 6⁶ shows the percentages of the positive responses (i.e., “yes” answers) to the various measures of underutilization. These figures show that many of the underutilized members of the Available Labor Pool consider themselves as possessing education levels exceeding those needed for their current jobs.



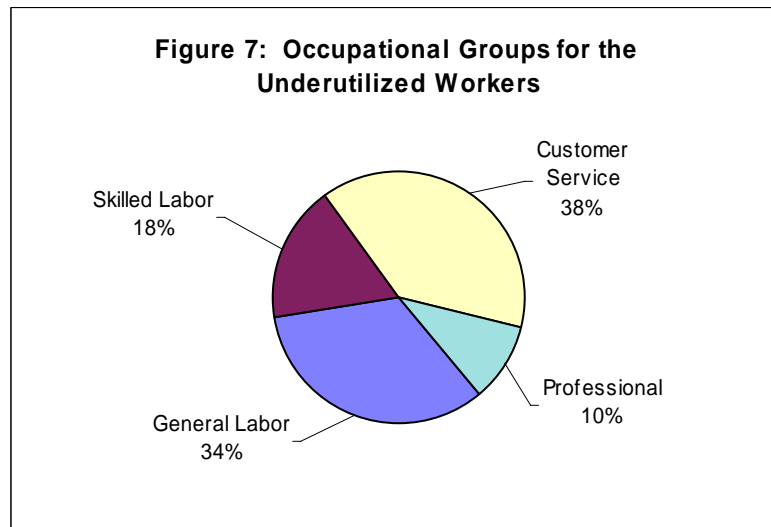
⁶ The responses shown in Figure 6 are **not** mutually exclusive (i.e., respondents could answer “yes” to more than one question).

Table 5 and Figure 7 show some characteristics of the underutilized members of the Available Labor Pool. Table 5 indicates that the education level of the underutilized workers is high, with more than two-thirds (70%) having at least some college education and almost all (97%) having high school diplomas.

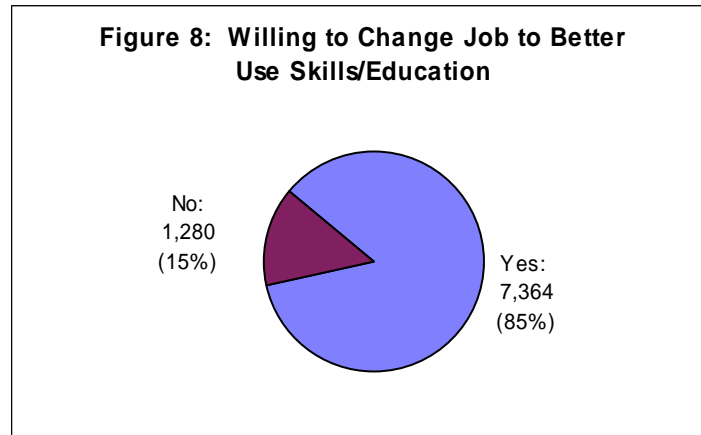
Table 5: Highest Level of Education Achieved Among Underutilized

	Number	Percent	Cum. Percent
Doctoral Degree	0	0.0	0.0
Masters Degree	35	5.6	5.6
Bachelors Degree	1,392	16.1	21.7
Associates Degree	1,894	21.9	43.7
Some College	2,292	26.5	70.2
High School Diploma Only	2,341	27.1	97.2
Less HS Diploma	238	2.8	100.0
Total	8,644	100	

Figure 7 (below) shows that 52% of the underutilized workers are employed as general labor and skilled blue-collar workers, and about 48% are in customer service-related occupations and professional positions.



Respondents indicating that they were underutilized were then asked a follow-up question addressing the willingness to change jobs in order for them to better utilize their skills and/or education. Figure 8 suggests that a very substantial portion of the underutilized workers (82%) is willing to change jobs to address underutilization.



Methodology

The findings from this study are based on a random digit telephone sample⁷ of adults living in twenty-two counties in southwest Nebraska, northwest Kansas, and northeast Colorado. Survey data was collected from June 2, 2004, to June 22, 2004, using a Computer Assisted Telephone Interviewing (CATI) system. A total of 1,712 households were successfully contacted during the phone survey, and in 1,199 of these households an adult agreed to do the interview. This represents a cooperation rate of 70%. As previously mentioned, the margin of error for the survey findings of the 1,199 respondents is +/- 2.83%. The margin of error for the Available Labor Pool is +/- 4.4%.

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.

⁷ 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.