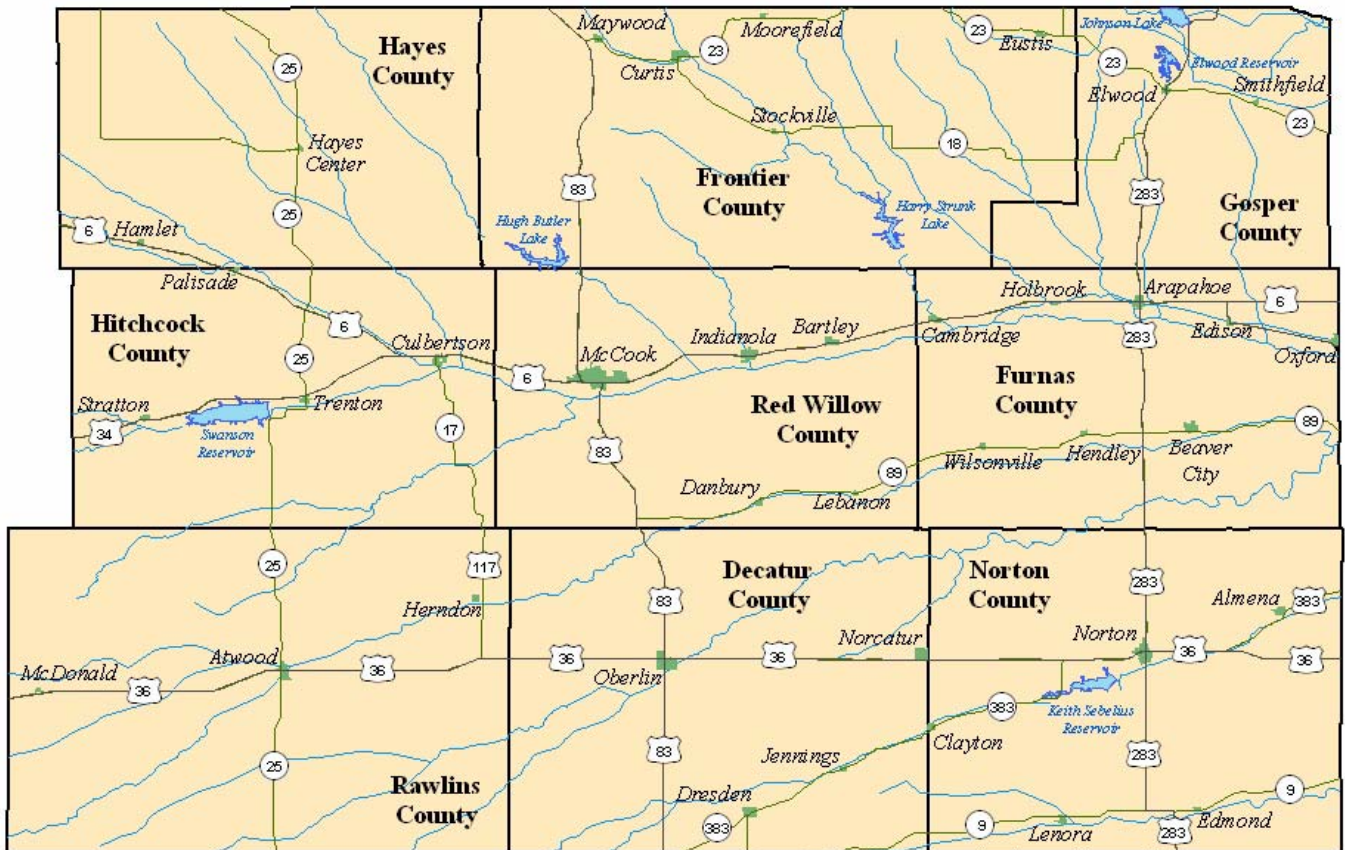


The Red Willow County Labor Basin

Labor Availability Analysis

DECATUR COUNTY, KANSAS • FRONTIER COUNTY, NEBRASKA • FURNAS COUNTY, NEBRASKA •
GOSPER COUNTY, NEBRASKA • HAYES COUNTY, NEBRASKA • HITCHCOCK COUNTY, NEBRASKA •
NORTON COUNTY, KANSAS • RAWLINS COUNTY, KANSAS • RED WILLOW COUNTY, NEBRASKA



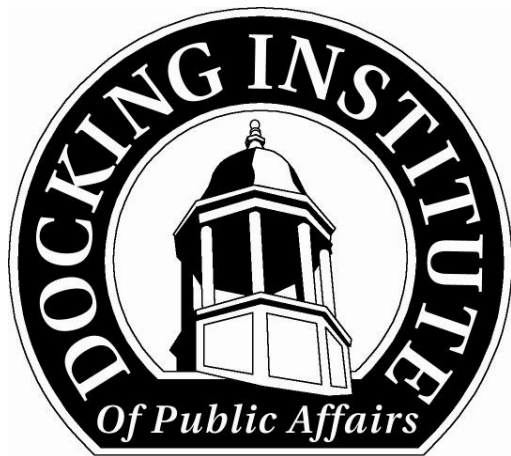
Prepared For

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.

Red Willow County Labor Basin Labor Availability Analysis

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Red Willow County Labor Basin Labor Availability Analysis

Executive Summary

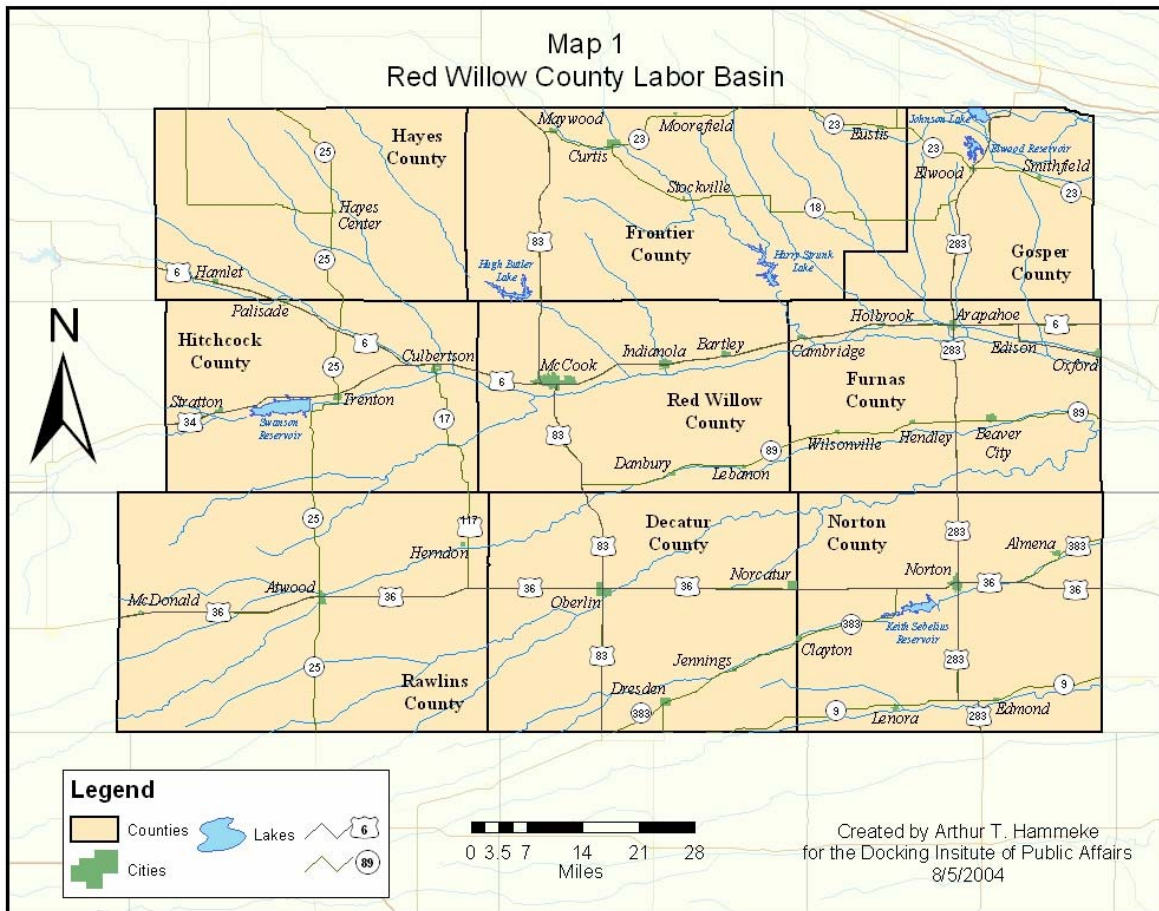
The Red Willow County Labor Basin includes Frontier, Furnas, Gosper, Hayes, Hitchcock, Red Willow Counties in Nebraska; and Decatur, Norton, and Rawlins Counties in Kansas. The purpose of this report is to assess the “Available Labor Pool” in this labor basin. The “Available Labor Pool” represents those who indicate that they are looking for employment or would consider changing their jobs for the right employment opportunity.

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

- The population of the Red Willow County Labor Basin is estimated to be 37,939. Almost 23% of the total population (or 8,750 individuals) are considered to be part of the Available Labor Pool.
- Of the Available Labor Pool, it is estimated that 522 non-working and 1,348 working individuals are **looking** for new employment, while 1,365 non-working and 5,515 working individuals would **consider** new and/or different employment for the right opportunities.
- 70% of the Available Labor Pool has at least some college experience and slightly more than 95% has at least a high school diploma. The average age for members of the Available Labor Pool is about 46 years.
- Of the Available Labor Pool, 81% (7,102 members) indicate that they are “willing to work outside of their primary field of employment for a new or different employment opportunity.”
- More than a quarter of the members (27.3% or 2,392 individuals) of the Available Labor Pool will commute up to 40 minutes, one way, for an employment opportunity, while almost three-quarters (73.7% or 6,453 individuals) will commute up to 30 minutes for employment. Nearly all (almost 94% or 8,199 individuals) will travel up to 15 minutes for employment.
- About 4,850 individuals (55%) are interested in a new employment if offered \$14.00 an hour (\$29,120 per year). About 4,215 people (48%) are interested in a new job at \$12.00 an hour (\$24,960 per year). About 3,540 (40%) are interested at \$10.00 an hour (\$20,800 per year). About 1,315 (15%) are interested in a new or different job at \$8.00 an hour (\$16,640 per year).
- Of the **working** members of the Available Labor Pool, 2,944 (43%) consider themselves underutilized. About 78% of the underutilized workers have some college experience, and a majority (85%) of the underutilized workers are willing to change jobs to address their underutilized status.

The Red Willow County Labor Basin

The Red Willow County Labor Basin encompasses portions of nine counties in southwest Nebraska and northwest Kansas (see Map 1 below). The Red Willow County Labor Basin has a total population of approximately 37,939, and a Civilian Labor Force (CLF) of 20,781. There is an unemployment rate of 2.25%, 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 1,870 workers and non-workers (9% of the CLF) who are actively looking for new or different employment, and 6,880 (33% 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 Red Willow County Labor Basin is 20,781 workers.

While a review of CLF statistics represents the starting point for understanding the labor force in and around the Red Willow County area, 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.

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 *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

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.

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 Red Willow County Labor Basin includes 8,750 individuals. This represents a substantial number of workers and potential workers for employers to draw upon in the Red Willow County Labor Basin.

The Red Willow County Labor Basin's Available Labor Pool

This section assesses the characteristics of the Available Labor Pool in the Red Willow County 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? 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 502 employed (256) and non-employed (246) adults living in the Red Willow County Labor Basin. When all 502 respondents are included in the analysis, the survey findings have a margin of error of +/- 4.37%. 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 196 respondents, the survey has a margin of error of +/- 7.00%. 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 Red Willow County Labor Basin of 8,750³. It is estimated that 522 non-employed⁴ and 1,348 employed individuals are **currently looking** for new or different employment, while 1,365 non-employed individuals and 5,515 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.

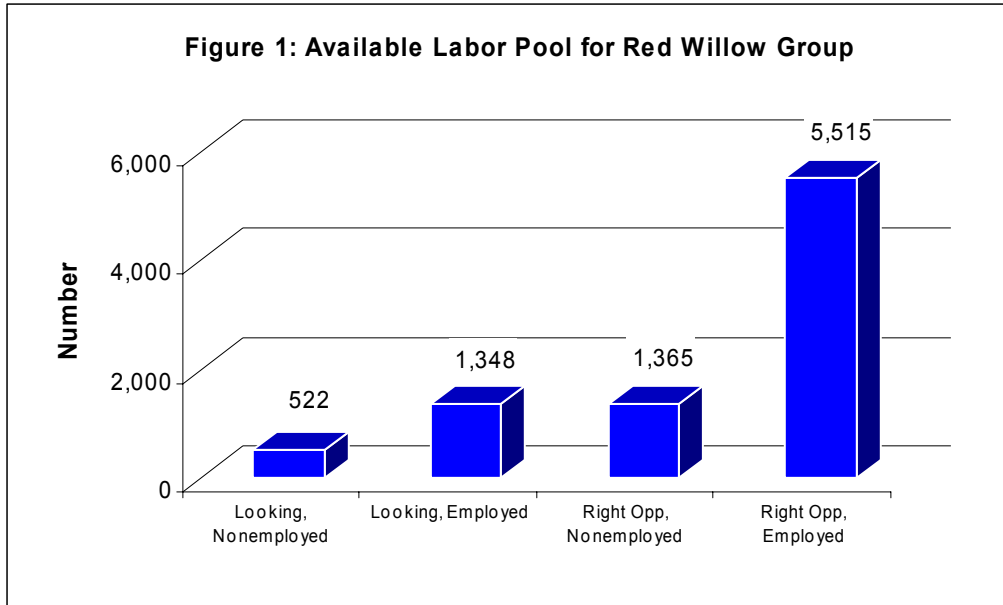


Table 1 shows the gender, age statistics, and educational levels of the 8,750-member Available Labor Pool. Almost 60% are women, and the average age is about 46. The educational levels of the Available Labor Pool are high, as 95% of the pool has at least a high school diploma and 70% have at least some college education. About a quarter (26.2%) has at least a Bachelors Degree.

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

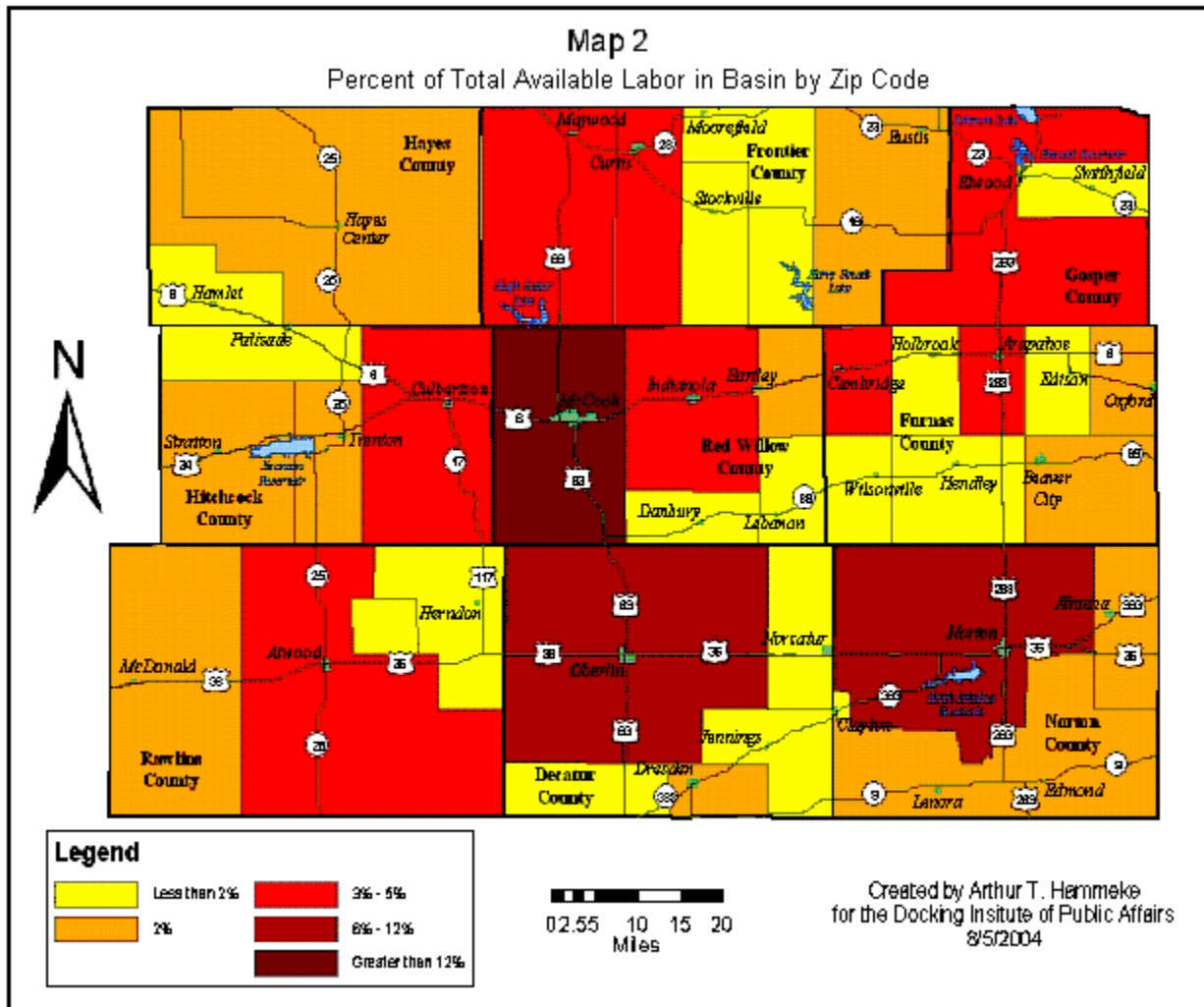
Age	Age in 2004		
Average	46		
Median	45		
Gender	Number	Percent	
Female	5,236	59.8	
Male	3,513	40.2	
Total	8,750	100.0	
Highest Level of Education Achieved	Number	Percent	Cum. Percent
Doctoral Degree	54	0.6	0.6
Masters Degree	687	7.9	8.5
Bachelors Degree	1,549	17.7	26.2
Associates Degree	1,397	16.0	42.1
Some College	2,437	27.9	70.0
High School Diploma Only	2,218	25.4	95.3
Less HS Diploma	407	4.7	100.0
Total	8,750	100.0	

Table 2 shows the various occupational categories of the 8,750-members of the Available Labor Pool. Traditional blue-collar occupations represent 25% of the Available Labor Pool, including a large number of general laborers (1,057) and farm workers (561). In addition, there are 232 factory workers and heavy equipment operators, 198 government workers, and 156 technicians and mechanics. Traditional service-related and “pink-” and “white-collar” occupations represent almost 53% of the Available Labor Pool, including 1,531 customer service/clerical workers, 1,098 social service/paraprofessionals, and 1,006 professionals.

Table 2: Occupation of Available Labor

	Number	Percent
General Labor	1,057	12.1
Farm/Ranch Labor	561	6.4
Factory Worker/HEO	232	2.6
Technician/Mechanic	156	1.8
Gov't Service/Other BC	198	2.3
Customer Service/Clerical	1,531	17.5
Social Service/Para-Prof.	1,098	12.5
Management/Sales	833	9.5
Executives/Professionals	1,006	11.5
Writer/Researcher/Other WC	189	2.2
Hmaker/Student/Unemp	816	9.3
Retired/Disabled	1,072	12.2
Total	8,750	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 Red Willow County Labor Basin. Each zip code is grouped into one of five categories specified in the legend. The Available Labor Pool for the Red Willow County Labor Basin seems to be somewhat concentrated in Red Willow, Decatur, and Norton Counties. However, zip code areas in Frontier, Gosper, Furnas, Hitchcock, and Rawlins Counties also provide up to 6% of the available labor 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 Red Willow County Labor Basin, however. Figure 2 indicates that 7,102 members of the Available Labor Pool (or 81% 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).

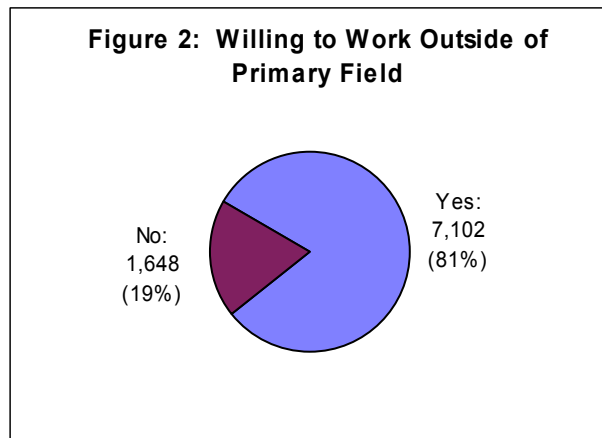


Table 3 and Figure 3 (next page) suggest that the Available Labor Pool in the Red Willow County Labor Basin is open to commuting. More than a quarter of the members (27.3% or 2,392 individuals) of the Available Labor Pool will commute up to 40 minutes, one way, for an employment opportunity, while almost three-quarters (73.7% or 6,453 individuals) will commute up to 30 minutes for employment. Nearly all (almost 94% or 8,199 individuals) will travel up to 15 minutes for employment.

Table 3: Time Available Will Commute

	Number	Cumulative Percent
More than 60 Minutes	127	0.0
Up to 60 Minutes	1,237	14.1
Up to 55 Minutes	1,237	14.1
Up to 50 Minutes	1,324	15.1
Up to 45 Minutes	2,019	23.1
Up to 40 Minutes	2,392	27.3
Up to 35 Minutes	2,566	29.3
Up to 30 Minutes	6,453	73.7
Up to 25 Minutes	6,533	74.7
Up to 20 Minutes	7,592	86.8
Up to 15 Minutes	8,199	93.7
Up to 10 Minutes	8,433	96.4
Up to 5 Minutes	8,750	100.0

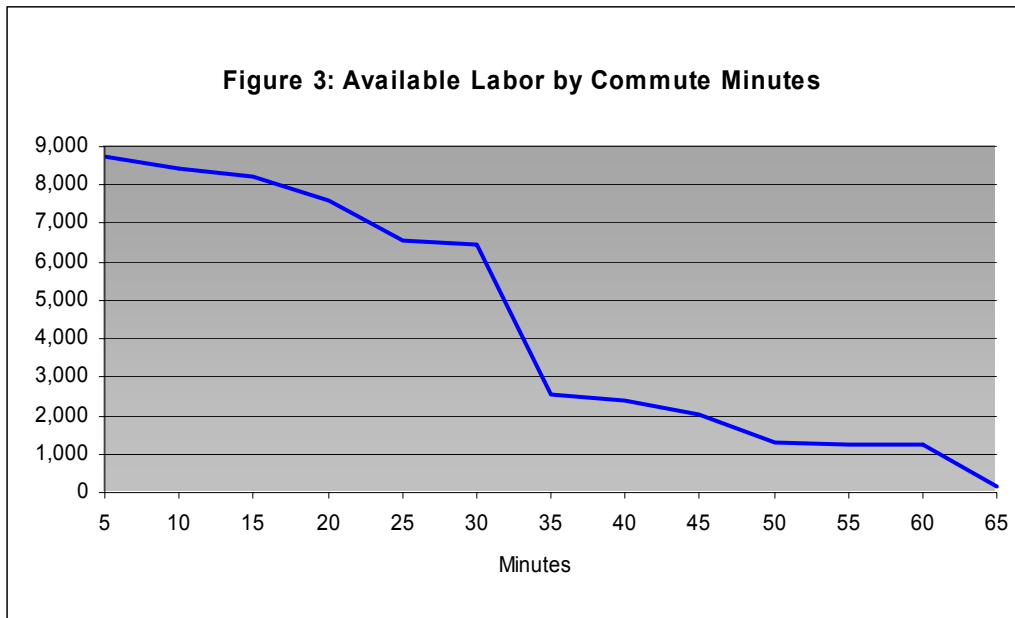


Table 4⁵ shows various benefits affecting the decisions of workers to take a different job and the decisions of potential workers to take a new job. The most important benefits are good health care benefits, OJT or paid training, good retirement benefits, and good salary (87.2%, 85.7%, 85%, and 83%, respectively). These benefits are followed by good vacation benefits, flexible hours, good life insurance, and good education benefits (67.6%, 60.6%, and 60.1%, respectively). Other benefits received less than 55% support.

While 83% of the respondents chose “good salary” as an important benefit, it is interesting to note that health and retirement benefits, as well as paid training, received more support. These figures suggest that employers might consider offering these benefits (or improve existing benefits) to attract new employees.

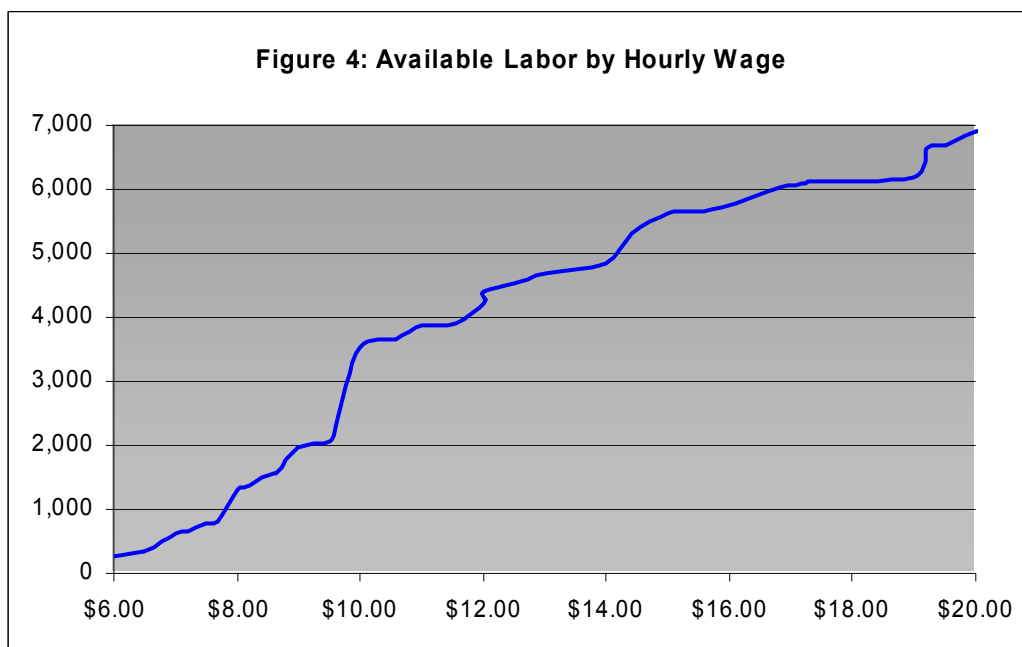
Table 4: Benefit Very Important In Decision to Change Employment

	Percent Responding "Yes"
Good Health Benefits	87.2
OJT or Paid Training	85.7
Good Retirement Benefits	85.0
Good Salary	83.0
Good Vacation Benefits	77.4
Flexible Hours	67.6
Good Life Insurance Benefits	60.6
Good Education Benefits	60.1
Work Closer to Home	51.4
Assistance with Childcare	25.9
Work in Different Community	28.6

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. About 6,150 people (or about 70% of the available labor) are interested in a new employment if offered \$18.00 an hour (\$37,440 per year), while about 5,900 people (about 67% of the available labor) are interested in a new job at \$16 an hour (\$33,280 per year). In addition, about 4,850 individuals (55%) are interested in a new employment if offered \$14.00 an hour (\$29,120 per year), about 4,215 people (48%) are interested in a new job at \$12.00 an hour (\$24,960 per year), and about 3,540 (40%) are interested at \$10.00 an hour (\$20,800 per year). Finally, about 1,315 (15%) are interested in a new or different job at \$8.00 an hour (\$16,640 per year).

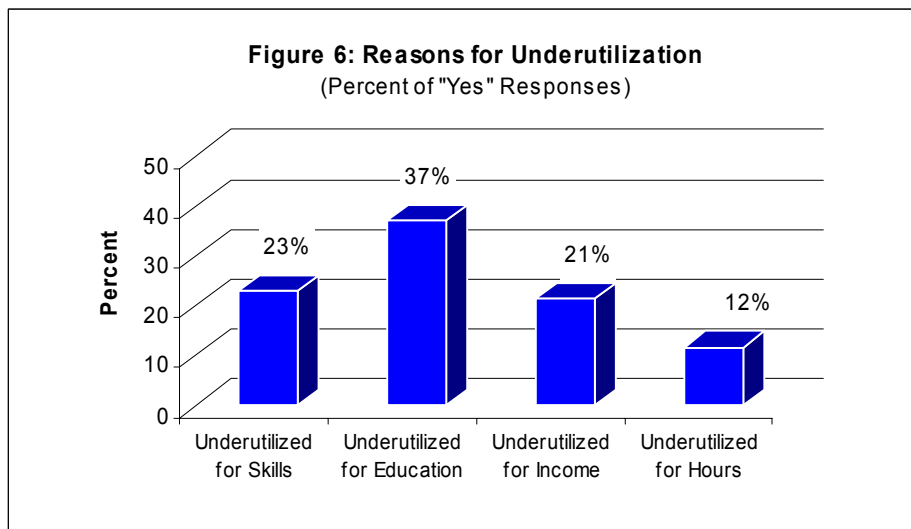
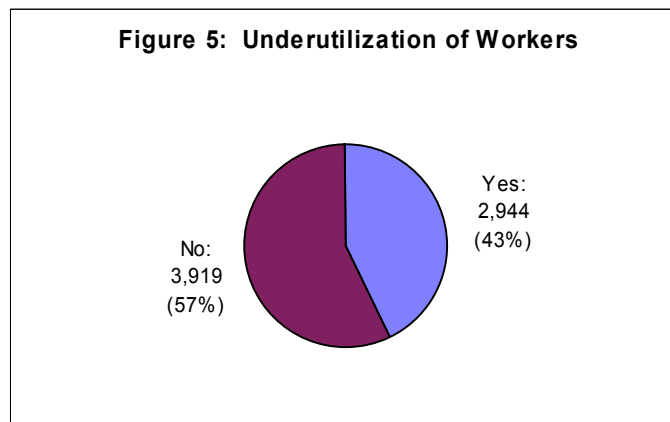
The graph below highlights various “wage plateaus,” that may be of interest to current and potential employers. While the graph clearly points out that the higher the wage, the larger the available labor; the graph also suggests that an employer might expect to find a similar number of employees available at certain wage preference plateaus. For example, about 1,975 members of the available labor are interested in a job at \$9.00 an hour. At \$9.50 an hour there are about 2,075 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 100 individuals. Similar wage plateaus can be seen at the \$10 to \$10.50, \$11 to \$11.50, and \$15 to \$15.50 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 Red Willow County Labor Basin, **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 less than half (or 2,944) 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 37% of the underutilized members of the Available Labor Pool consider themselves as possessing education levels exceeding those needed for their current jobs, while 23% indicate that their skills exceed those needed for their current job.



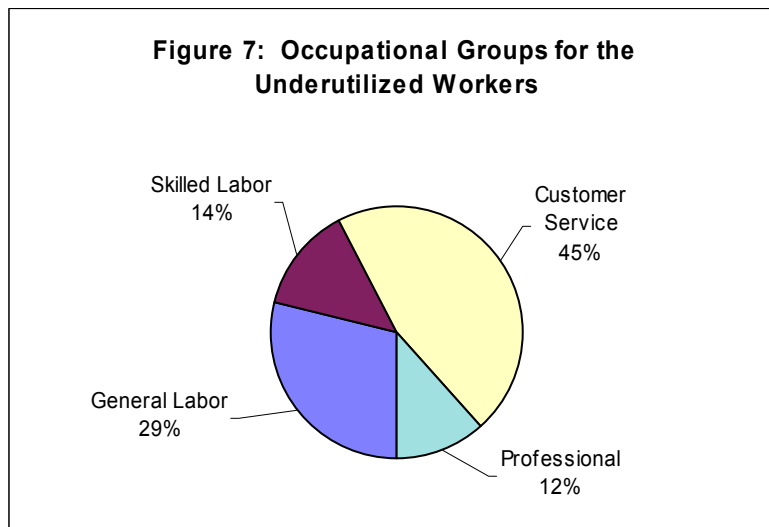
⁶ The responses shown in Figure 6 are **not** mutually exclusive (i.e., respondents could answer “yes” to more than one question).

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 very high, with about 78% having at least some college education and all (100%) having high school diplomas.

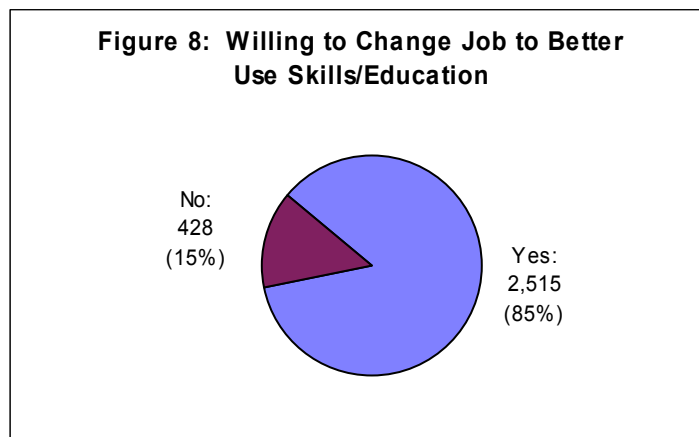
Table 5: Highest Level of Education Achieved Among Underutilized

	Number	Percent	Cum. Percent
Doctoral Degree	0	0.0	0.0
Masters Degree	35	7.3	7.3
Bachelors Degree	534	18.1	25.5
Associates Degree	662	22.5	47.9
Some College	890	30.2	78.2
High School Diploma Only	642	21.8	100.0
Less HS Diploma	0	0.0	100.0
Total	2,944	100	

Figure 7 (below) shows that 43% of the underutilized workers are employed as general labor and skilled blue-collar workers, and 57% 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 85% of the underutilized workers would consider changing employment to better use their underutilized status.



Methodology

The findings from this study are based on a subset of data collected from 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%.

This report represents findings from data collected from respondents from Frontier, Furnas, Gosper, Hayes, Hitchcock, Red Willow Counties in Nebraska; and Decatur, Norton, and Rawlins Counties in Kansas. The margin of error for the findings from this subset of 502 individuals is 4.37%, while the margin of error for the Available Labor Pool is +/- 7.00%.

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 summary of the 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.