

**THE
OGALLALA, NEBRASKA
AREA
LABOR AVAILABILITY REPORT**

June, 2010

Compiled and Prepared by



THE PATHFINDERS

www.thepathfindersus.com

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INTRODUCTION

The Pathfinders has employed its many years of experience in workforce assessments for corporate site-selection clients and civilian workforce assessments for the Department of Defense in locations that faced military base closures to produce this evaluation of the Ogallala area workforce. In site-selection projects, the question that most often drives the search is whether the candidate location has the workforce needed for a new or expanding operation.

When considering the workforce of a possible location, a prospect basically wants to know:

- Can I find the workers I need in this location?
- Do these workers have any skills and/or experience that pertain to my operation?
- How much will these workers cost?

Consequently, an analysis of an area's workforce became a key component of site searches conducted by The Pathfinders. The report that follows was developed as a tool for economic development officials for use in business recruitment and workforce development efforts. Senior human resources executives from among corporate clients assisted in refining the methodology and report format. With regard to labor availability, while unemployed workers are a source considered in hiring, companies typically also staff a new operation with individuals who are working but who desire better jobs and who appear to possess the skills, education, and experience to qualify them for those better jobs. **By that definition**, those individuals can be considered "underemployed" and are identified as such in this report.

The Pathfinders was retained to quantify the extent to which both unemployment and underemployment exist in the Ogallala area. This report also represents the objective and professional view of The Pathfinders with regard to workforce quality, availability, costs, experience and skills that a new or expanding employer can expect in the Ogallala region.

The information presented in this report has been developed independently of the client, and the client has not influenced the findings.



KEY FINDINGS

- The Ogallala area, referred to in this report as the “labor shed”, has a household population of approximately 40,300; a civilian labor force of approximately 24,100; and a pool of approximately 900 unemployed persons who are actively seeking work.
- The results of this survey indicate that a new or expanding employer will be able to attract employees from an additional pool of about 2,400 underemployed workers.
- The desired pay rates of the underemployed workers are reasonable when compared to their existing pay rates. The median current pay rate of the underemployed workers is \$15.90 per hour, and their median desired pay rate is \$17.99 per hour.
- Survey results indicate that the underemployed workers in the labor shed have high levels of experience and skills in office operations and customer service.
- Results indicate that underemployed workers are willing to commute an average of 21 miles to a new job, in contrast to their current average commute of 9 miles.
- The median desired pay rate of the unemployed workers who are actively seeking work is \$12.15 per hour.
- According to survey results, the unemployed, actively seeking work, individuals are willing to commute an average of 30 miles to a job.
- In total, the Ogallala area has approximately 3,300 available workers for new or expanding businesses.



METHODOLOGY

The first step in assessing the workforce of the Ogallala area was to determine the boundaries of the area to be assessed. To accomplish this task, The Pathfinders applied the same reasoning that would be used during a site search for a corporate client considering the area as a potential location. The Ogallala survey area includes those locations from which workers might be drawn to a new employer and is referred to in this report as the “labor shed”. This labor shed consists of a 50-mile radius of Ogallala, Nebraska.

A map of the Ogallala labor shed is included on the following page.

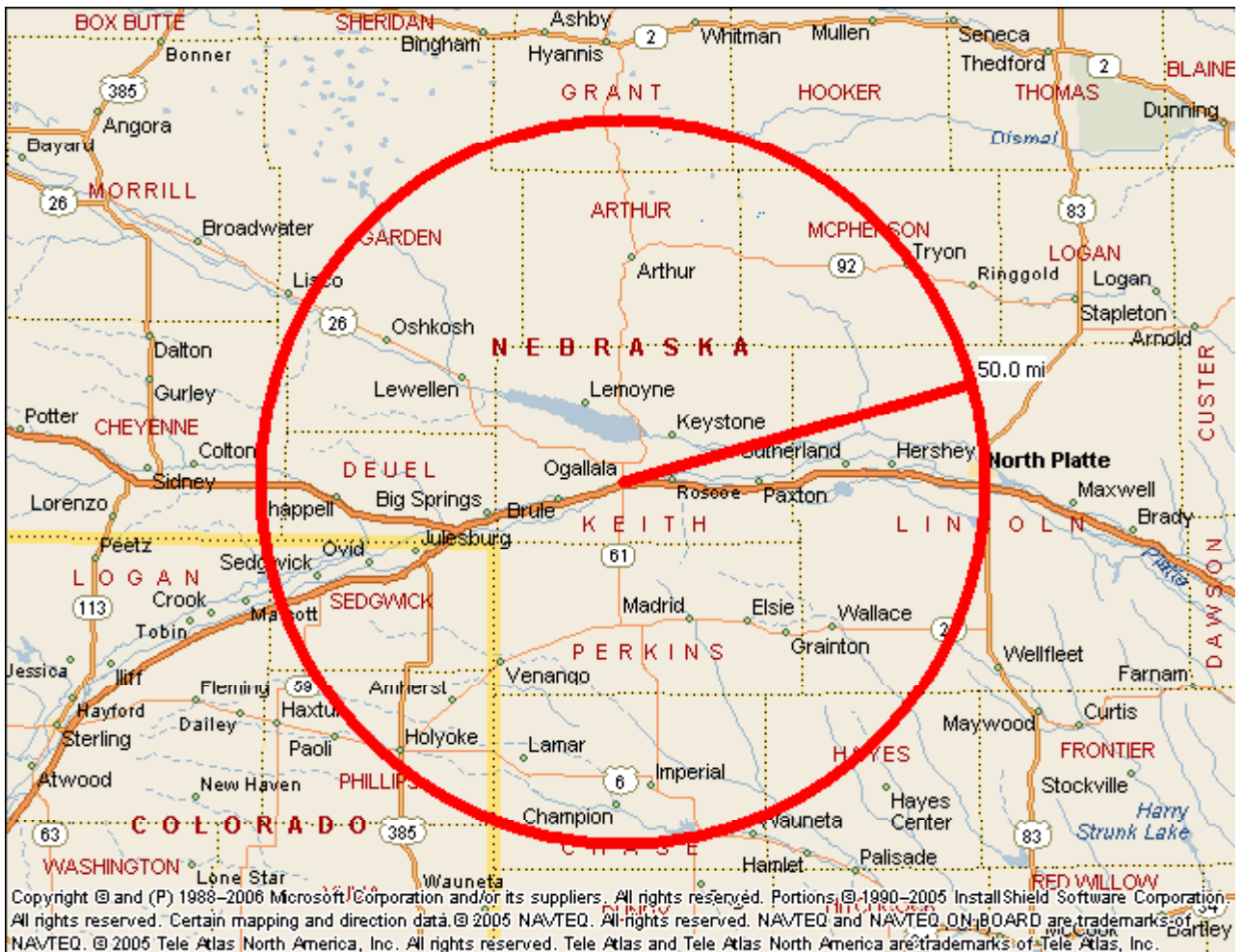
Selected online resources were used in this project. Additionally, The Pathfinders conducted interviews with individuals throughout the Ogallala region. Those individuals were proportionally stratified across age, household income, and zip codes. The purpose of these surveys was to ascertain availability for work with a new employer; determine desired pay rates; and, collect information on such factors as age, education, commuting patterns, experience, and skills.

The data obtained as a result of those interviews enabled The Pathfinders to apply and employ a proprietary methodology that accurately determined the existence of underemployment and the quality and characteristics of both the underemployed and unemployed workers in the area. Further, The Pathfinders applied a proprietary process to the analysis of the data to correct for invalid responses. For example, those persons indicating they would take a new job but also indicating the desire for increased or decreased pay that is unreasonable are not included in the results.

It is important to note that companies making location decisions based upon these surveys have reported that when staffing actually began, the numbers reported by The Pathfinders proved to be accurate.



MAP OF THE OGALLALA LABOR SHED



NUMBER OF AVAILABLE WORKERS

The Ogallala Area Labor Shed

The Ogallala area labor shed has a household population of approximately 40,300. The civilian labor force numbers approximately 24,100, and the labor shed contains approximately 900 unemployed people who are actively seeking work.

The results of this assessment determined that approximately 2,400 workers can be defined as underemployed: those individuals who are currently working but would take a better job if offered by a new or existing employer and who appear to possess the skills, education, and experience to qualify them to do so. Together with the unemployed, actively seeking work individuals, the Ogallala area has approximately 3,300 available workers for new or existing employers.

TOTAL AVAILABLE WORKERS

| | |
|--|--------------|
| Number of underemployed workers | 2,400 |
| Number of unemployed, actively seeking work individuals | 900 |
| Total Number of Workers Available for Employers* | 3,300 |

* The reader is cautioned that, while the number of workers identified in the region, as well as their skills, experience, education, and costs, is accurate, all of those individuals may not be acceptable candidates for an employer. Their previous work records, stability, integrity, intelligence, appearance, and other factors are not considered in this report.



ASSESSMENT OF THE UNDEREMPLOYED WORKFORCE

The Ogallala Area Labor Shed

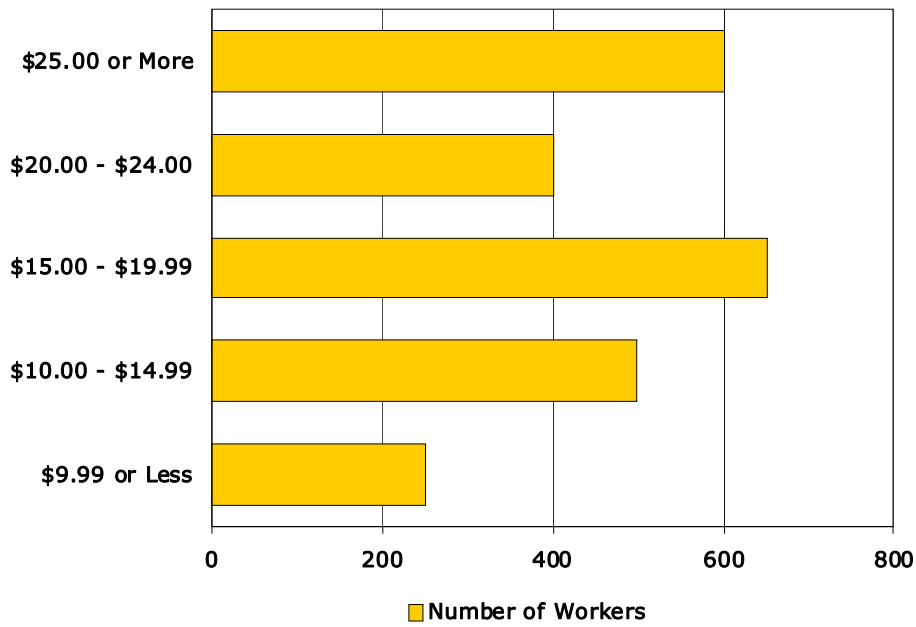
The 2,400 underemployed workers identified in this report might also be termed “upgraders”. They desire to move into an upgraded job and appear to possess the skills, education, and experience to enable them to do so. The following charts represent the desired pay rates of the underemployed individuals in the labor shed. Desired wages are shown by specific rates, range and percentiles.

NUMBER OF UNDEREMPLOYED WORKERS AVAILABLE AT SPECIFIC WAGE RATES PER HOUR (rounded)

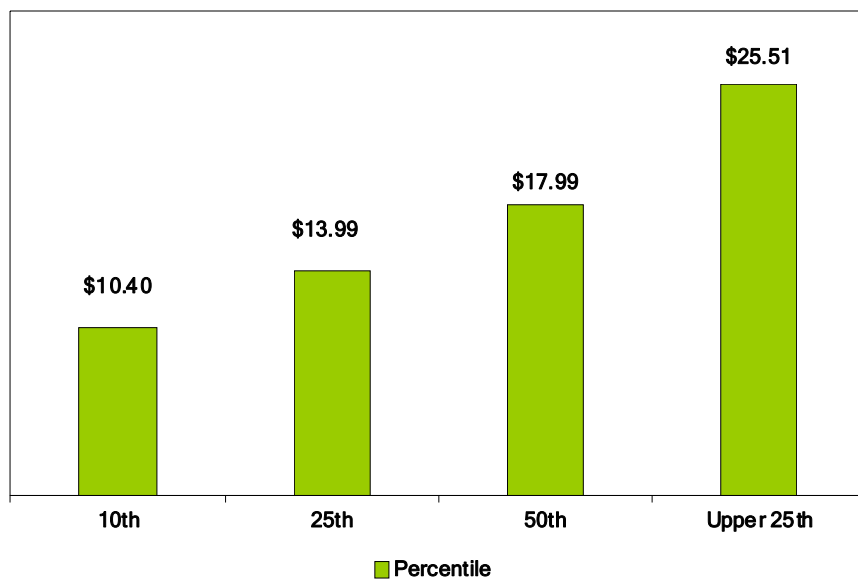
| Desired Pay Rate | Number Available |
|-------------------|------------------|
| \$8.99 or Less | 50 |
| \$9.00 - \$10.99 | 300 |
| \$11.00 - \$12.99 | 200 |
| \$13.00 - \$14.99 | 200 |
| \$15.00 - \$16.99 | 400 |
| \$17.00 - \$18.99 | 150 |
| \$19.00 - \$20.99 | 200 |
| \$21.00 - \$22.99 | 200 |
| \$23.00 - \$24.99 | 100 |
| \$25.00 - \$26.99 | 200 |
| \$27.00 - \$28.99 | 50 |
| \$29.00 - \$30.99 | 50 |
| \$31.00 - \$32.99 | 100 |
| \$33.00 - \$34.99 | 50 |
| \$35.00 or More | 150 |



DESIRED WAGE RATES PER HOUR BY RANGE 2,400 Underemployed Workers



DESIRED WAGE RATES PER HOUR BY PERCENTILE 2,400 Underemployed Workers



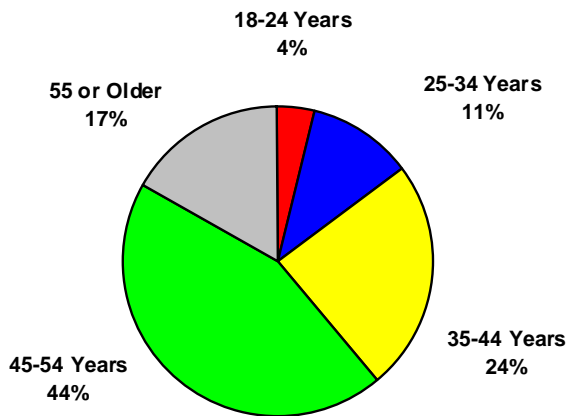
CHARACTERISTICS OF UNDEREMPLOYED WORKERS

The Ogallala Area Labor Shed

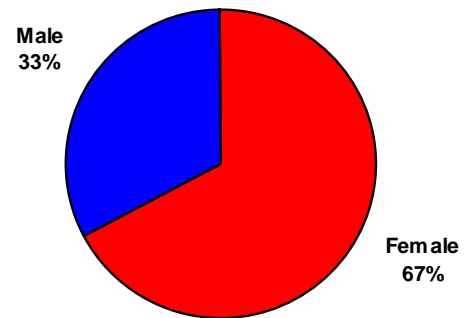
2,400 Underemployed Workers

The following charts provide information on various characteristics of the underemployed workers in the labor shed. **As these data relate solely to those individuals in the labor shed who are underemployed, they will vary from data representative of the population and civilian labor force as a whole.**

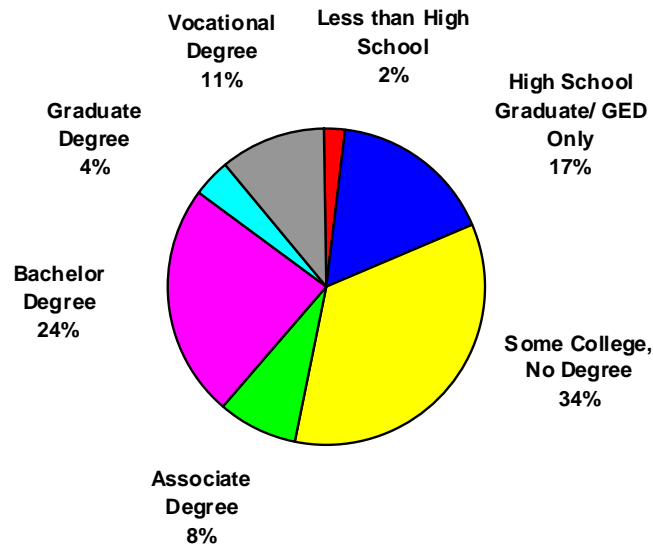
AGE - Average 45 Years



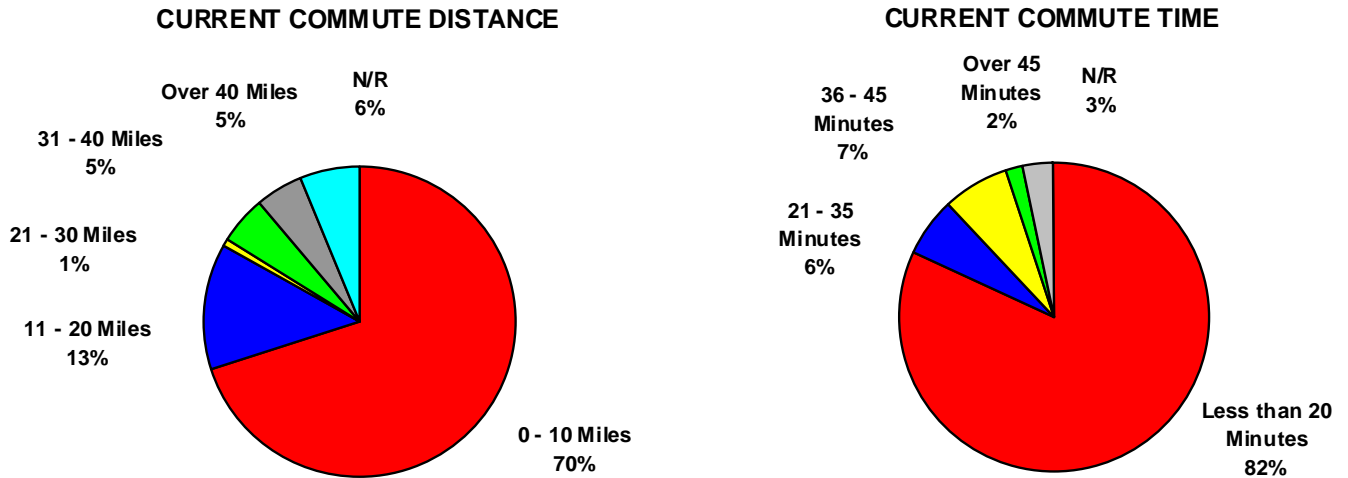
GENDER



EDUCATION



CHARACTERISTICS OF UNDEREMPLOYED WORKERS 2,400 Underemployed Workers



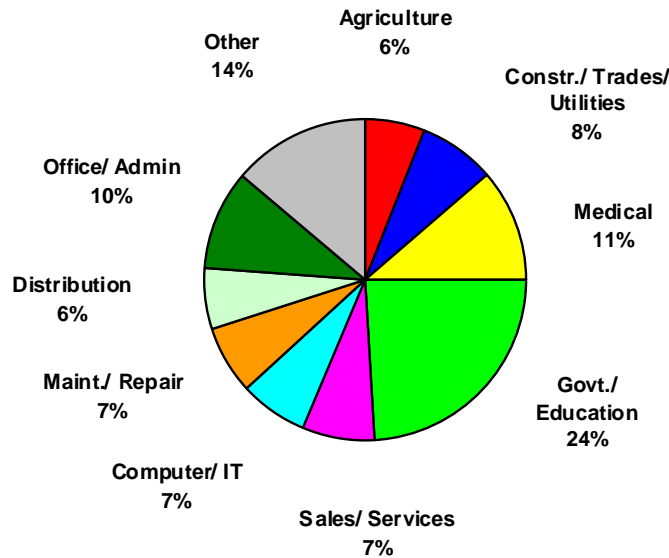
The average commute time of the underemployed workers in the labor shed is 14 minutes, and the average current commute distance is 9 miles.

LENGTH OF TIME IN CURRENT JOB

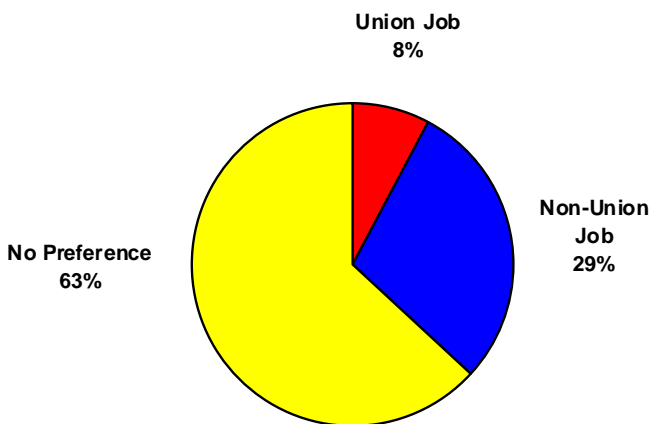


CHARACTERISTICS OF UNDEREMPLOYED WORKERS 2,400 Underemployed Workers

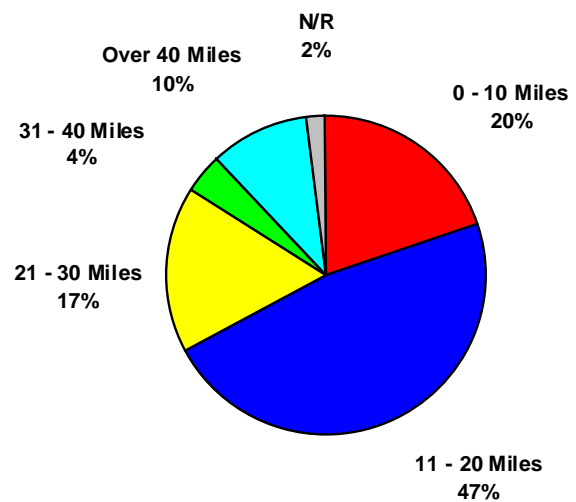
CURRENT AREA OF EMPLOYMENT



UNION PREFERENCE



MILES WILLING TO COMMUTE Average 21 Miles



EXPERIENCE AND SKILLS – UNDEREMPLOYED WORKERS

2,400 Underemployed Workers

The similarities between the experience and skills categories are designed to ensure inclusiveness considering the multitude of tasks and job titles present in most business, government and institutional operations. **It should be noted that individuals polled normally have experience and/or skills in multiple categories.**

The experience chart reports the approximate number of workers experienced in each category. The chart also gives the percentage of the total number of underemployed experienced in each category and the average number of years of experience in each category.

EXPERIENCE OF UNDEREMPLOYED WORKERS

| Experience Category | Number of Workers* | Percentage of Total | Average Years of Experience |
|---------------------------------------|--------------------|---------------------|-----------------------------|
| Customer Service | 1,700 | 70% | 10 |
| Office Operations | 1,600 | 67% | 12 |
| Sales | 1,200 | 51% | 7 |
| Information Technology | 1,000 | 41% | 10 |
| Warehouse/Distribution/Transportation | 900 | 39% | 7 |
| Maintenance/Installation/Repair | 900 | 38% | 12 |
| Telecommunications | 900 | 37% | 8 |
| Manufacturing/Assembly/Fabrication | 800 | 33% | 9 |
| Call Center | 600 | 25% | 4 |
| Electronics/Engineering | 600 | 23% | 6 |
| Medical/Health Sciences | 500 | 21% | 11 |

* Rounded



Likewise, in the skills category chart, the chart below illustrates the approximate number of underemployed workers in the labor shed who are skilled in each of the categories and the percent of the total underemployed.

SKILLS OF UNDEREMPLOYED WORKERS

| Skills Category | Number of Workers* | Percentage of Total |
|------------------------------------|--------------------|---------------------|
| Office Operations | 1,700 | 71% |
| Information Technology | 1,200 | 50% |
| Warehouse/Materials Handling | 1,200 | 49% |
| Technician/Quality Assurance | 1,000 | 43% |
| Manufacturing/Assembly/Fabrication | 1,000 | 42% |
| Maintenance/Installation/Repair | 900 | 39% |
| Telecommunications | 900 | 37% |
| Medical/Health Sciences | 600 | 23% |
| Electronics/Engineering | 500 | 21% |

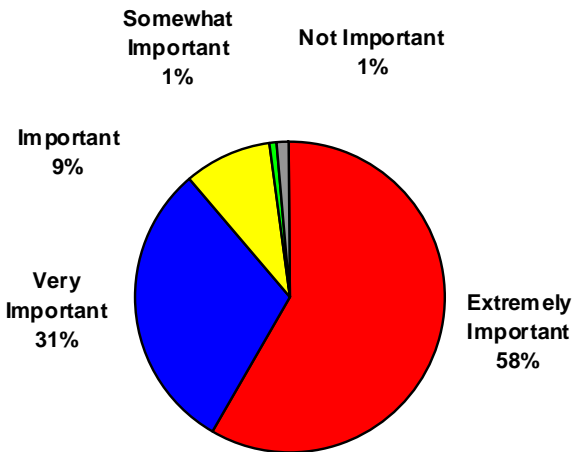
* Rounded



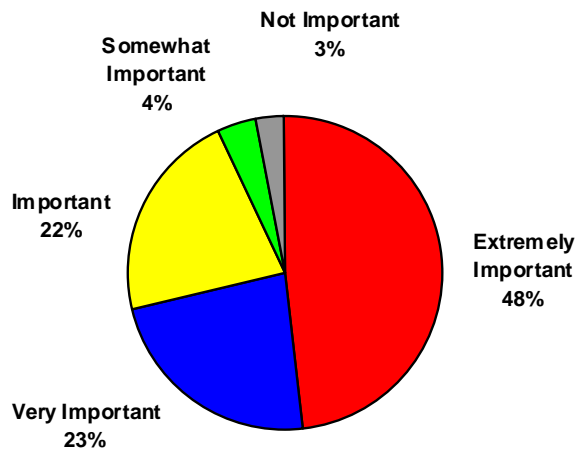
FACTORS AFFECTING JOB DESIRABILITY 2,400 Underemployed Workers

In an effort to identify those factors most important to the Ogallala area’s underemployed workers relative to consideration of an employer’s desirability and a potential job change, the respondents were asked to rate the following job factors from “extremely important” to “not important”.

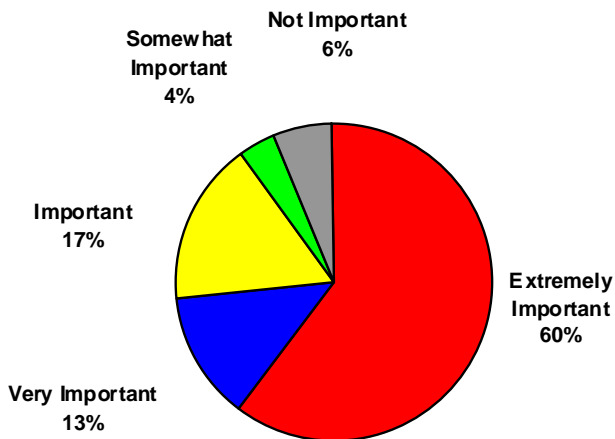
SALARY



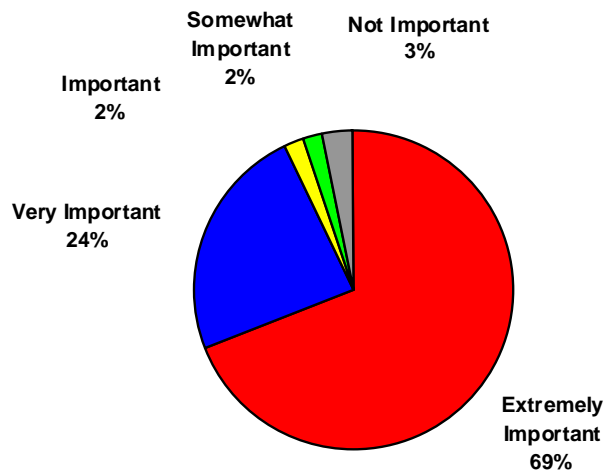
LOCATION



INSURANCE BENEFITS

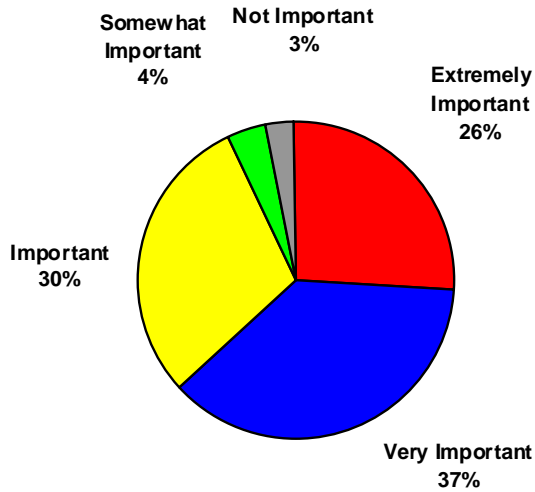


RETIREMENTS BENEFITS

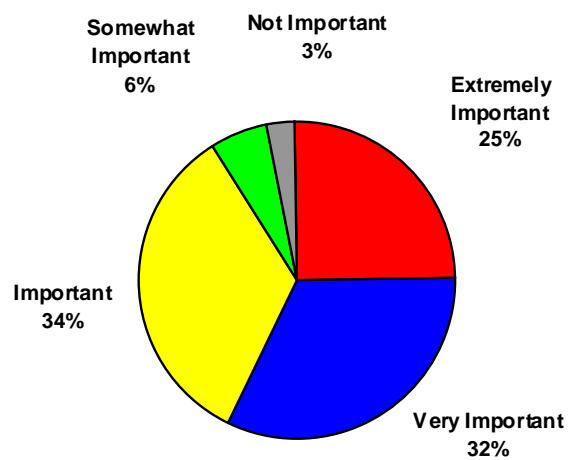


FACTORS AFFECTING JOB DESIRABILITY 2,400 Underemployed Workers

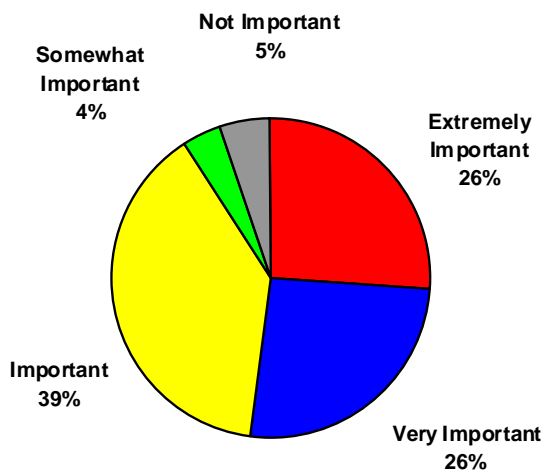
PHYSICAL WORKING ENVIRONMENT



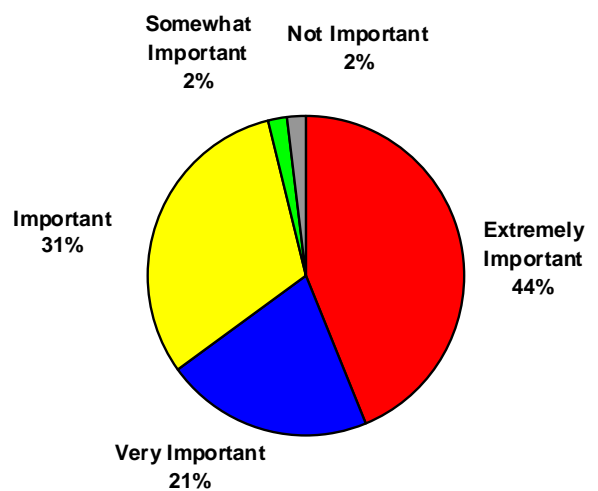
PAID TRAINING PROGRAMS



FLEXIBLE WORK SCHEDULE



OPPORTUNITY FOR ADVANCEMENT

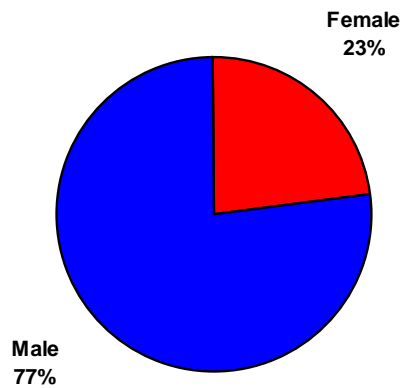


CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS WHO ARE ACTIVELY SEEKING WORK

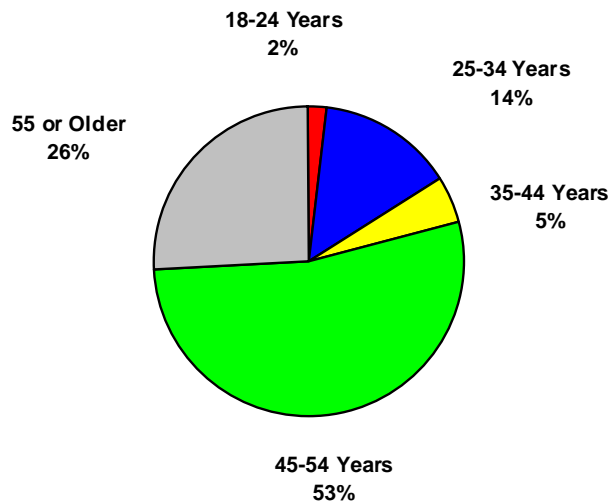
900 Workers

According to survey results, the following charts provide information on those unemployed workers in the labor shed who are actively seeking work. **As these data relate solely to those individuals in the labor shed who are unemployed, they will vary from data representative of the population and civilian labor force as a whole.** In the Ogallala labor shed, according to published sources, there are approximately 900 individuals who are actively seeking work. These individuals are primarily male, and their average age is 48 years.

GENDER

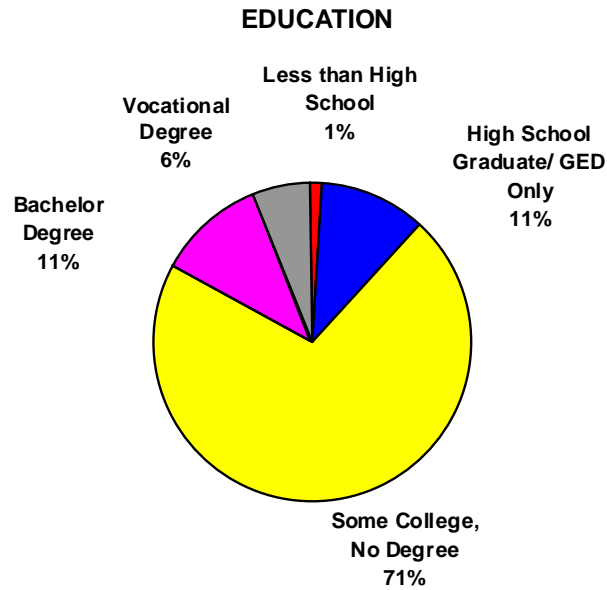


AGE

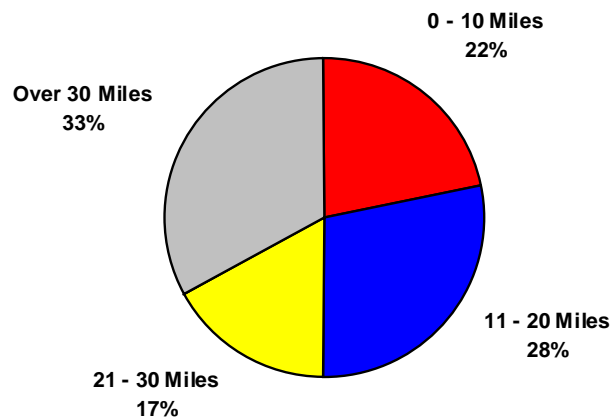


CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS WHO ARE ACTIVELY SEEKING WORK

900 Workers



MILES WILLING TO COMMUTE – Average 30 Miles



The median desired pay rate of the individuals who are unemployed, actively seeking work is \$12.15 per hour.



CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS WHO ARE ACTIVELY SEEKING WORK

900 Workers

The similarities between the experience and skills categories are designed to ensure inclusiveness considering the multitude of tasks and job titles present in most business, government and institutional operations. **It should be noted that individuals polled normally have experience and/or skills in multiple categories.**

EXPERIENCE OF UNEMPLOYED, ACTIVELY SEEKING WORK

| Experience Category | Number of Workers* | Percentage of Total | Average Years of Experience |
|---------------------------------------|--------------------|---------------------|-----------------------------|
| Customer Service | 600 | 72% | 9 |
| Office Operations | 600 | 66% | 7 |
| Sales | 500 | 61% | 6 |
| Call Center | 300 | 33% | 5 |
| Warehouse/Distribution/Transportation | 300 | 33% | 4 |
| Information Technology | 300 | 32% | 7 |
| Telecommunications | 300 | 31% | 5 |
| Manufacturing/Assembly/Fabrication | 300 | 30% | 6 |
| Maintenance/Installation/Repair | 200 | 22% | 8 |
| Electronics/Engineering | 100 | 11% | 3 |
| Medical/Health Sciences | 100 | 7% | 10 |

* Rounded



**CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS WHO ARE
ACTIVELY SEEKING WORK**

900 Workers

SKILLS OF UNEMPLOYED WORKERS, ACTIVELY SEEKING WORK

| Skills Category | Number of Workers* | Percentage of Total |
|------------------------------------|--------------------|---------------------|
| Office Operations | 600 | 72% |
| Warehouse/Materials Handling | 500 | 56% |
| Maintenance/Installation/Repair | 400 | 44% |
| Technician/Quality Assurance | 400 | 39% |
| Information Technology | 300 | 33% |
| Telecommunications | 300 | 33% |
| Manufacturing/Assembly/Fabrication | 200 | 22% |
| Electronics/Engineering | 200 | 21% |
| Medical/Health Sciences | 200 | 20% |

* Rounded

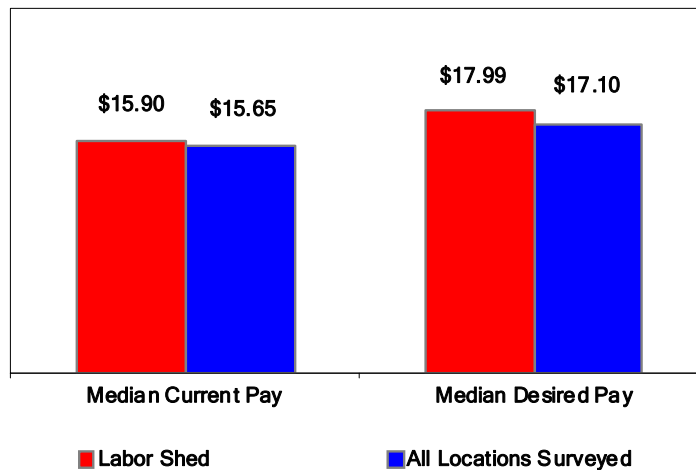


NATIONAL COMPARISONS OF UNDEREMPLOYED WORKFORCE

This section of the report provides comparisons of the pay rates, experience and skills of the labor shed’s underemployed workforce with the underemployed workforces in other areas previously surveyed by The Pathfinders. A prospect company considering the Ogallala region as a location will judge its workforce on a comparative basis. The comparative data for other locations used in the following charts reflect information accumulated over the past eighteen months. The Pathfinders maintains a continuing database of over 700 surveyed counties and communities. In the charts, the Ogallala region is referred to as “labor shed”.

The chart below illustrates the median current and desired wages of the underemployed workers in the Ogallala labor shed as compared to those underemployed workers in all locations surveyed by The Pathfinders over the past eighteen months. As indicated, the median current pay of all surveyed, underemployed workers over the past eighteen months is \$15.65 per hour, and the median desired pay of these workers is \$17.10 per hour. As shown, survey results indicate that the Ogallala region’s underemployed workers have comparable pay rates in both median current pay and desired pay than other locations surveyed.

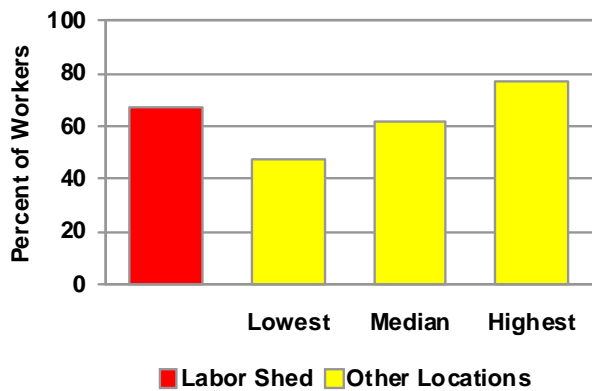
COMPARISON OF MEDIAN CURRENT / DESIRED WAGES (per hour)



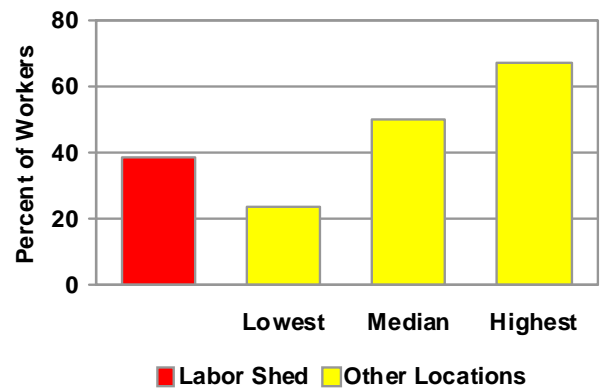
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

The Ogallala Area /
Locations Surveyed Over the Past 18 Months

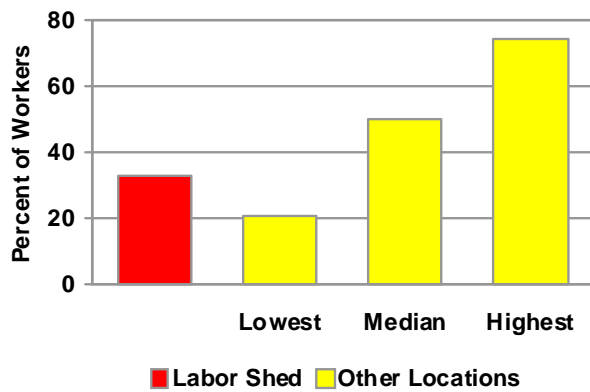
OFFICE



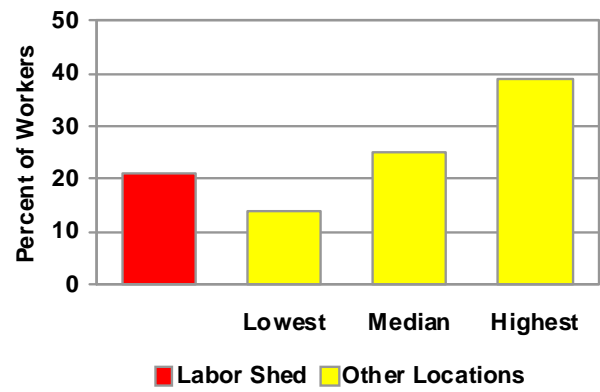
**WAREHOUSE / DISTRIBUTION /
TRANSPORTATION**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



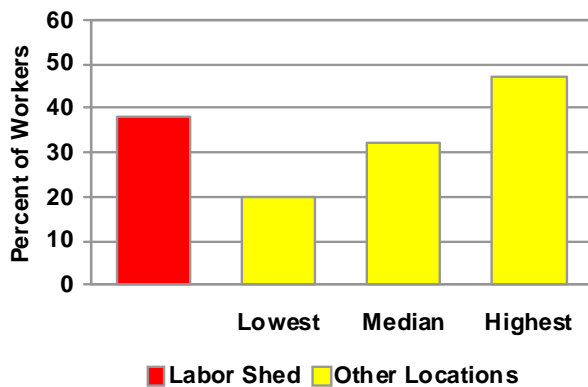
**MEDICAL /
HEALTH SCIENCES**



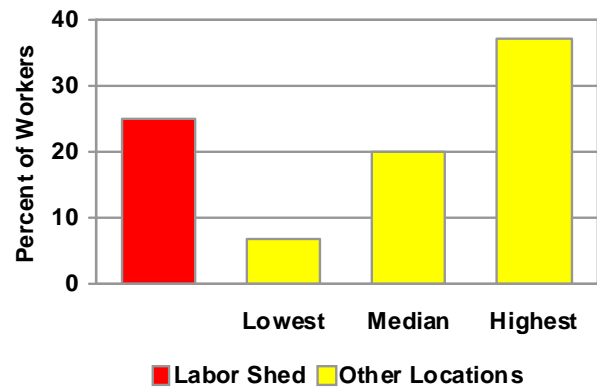
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

The Ogallala Area /
Locations Surveyed Over the Past 18 Months

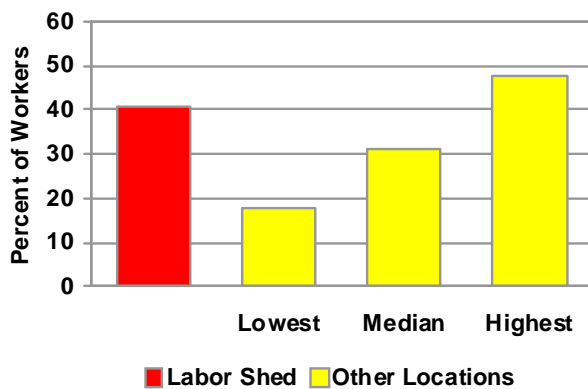
**MAINTENANCE /
INSTALLATION / REPAIR**



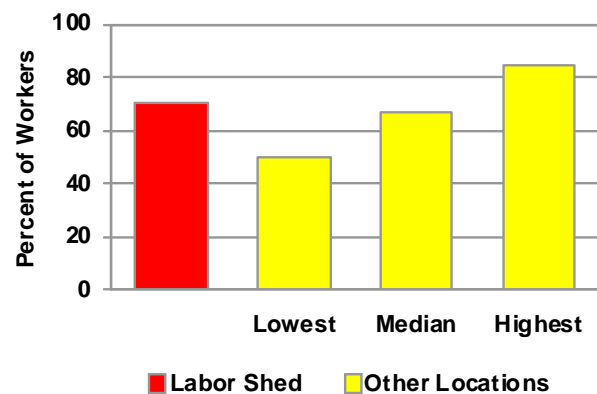
CALL CENTER



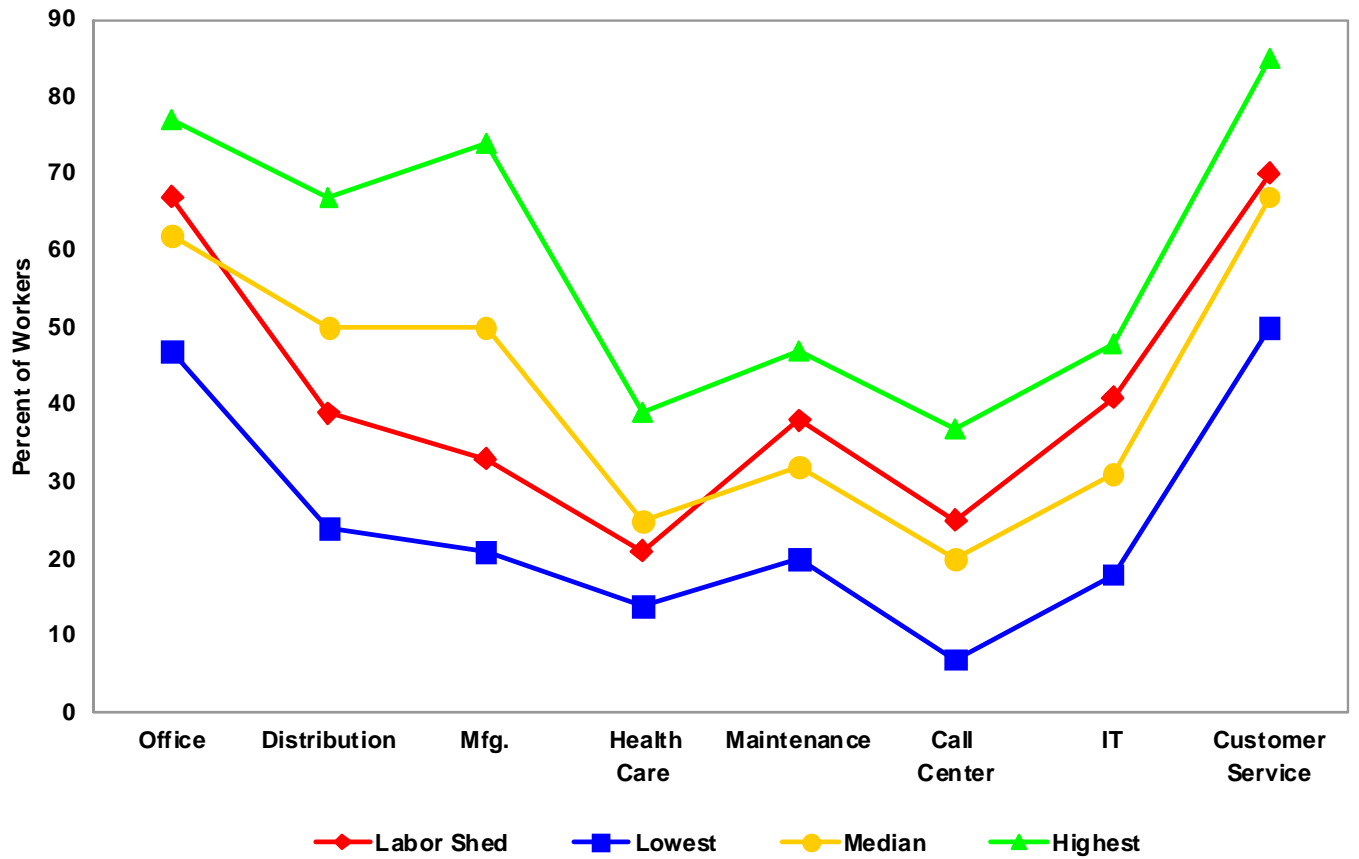
INFORMATION TECHNOLOGY



CUSTOMER SERVICE



**SUMMARY COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS
The Ogallala Area /
Locations Surveyed Over the Past 18 Months**



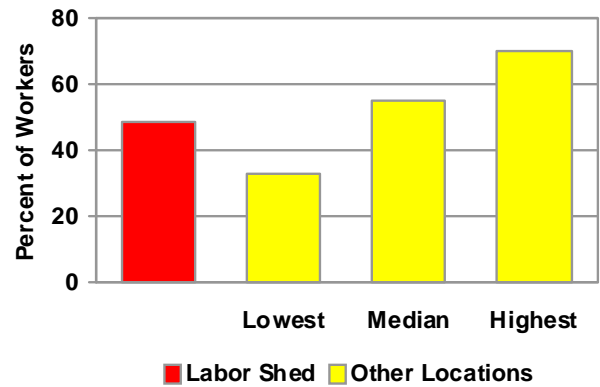
COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

The Ogallala Area /
Locations Surveyed Over the Past 18 Months

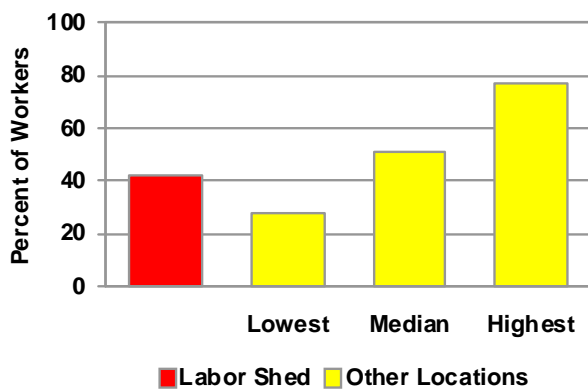
OFFICE



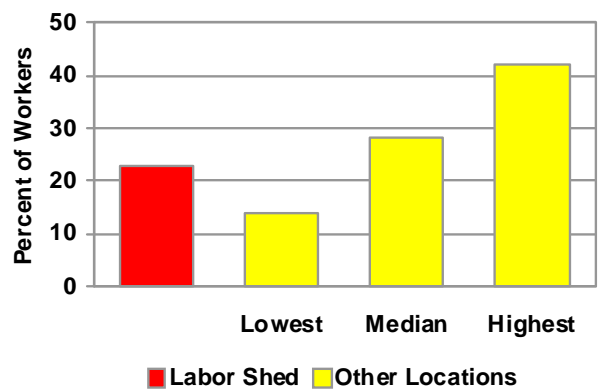
**WAREHOUSE /
MATERIALS HANDLING**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



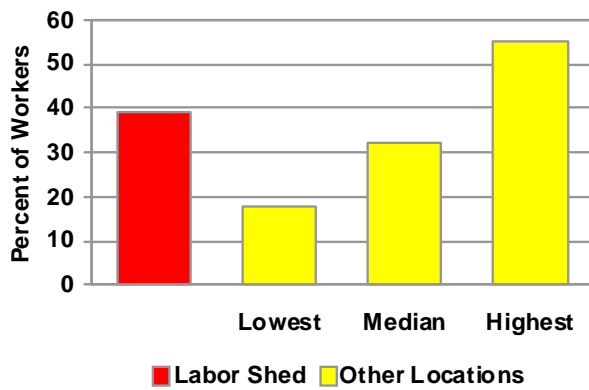
**MEDICAL /
HEALTH SCIENCES**



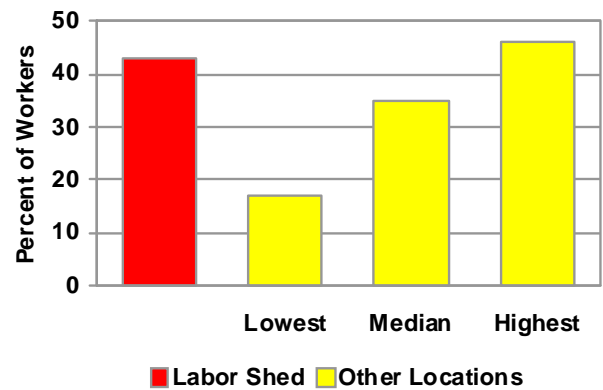
COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

The Ogallala Area /
Locations Surveyed Over the Past 18 Months

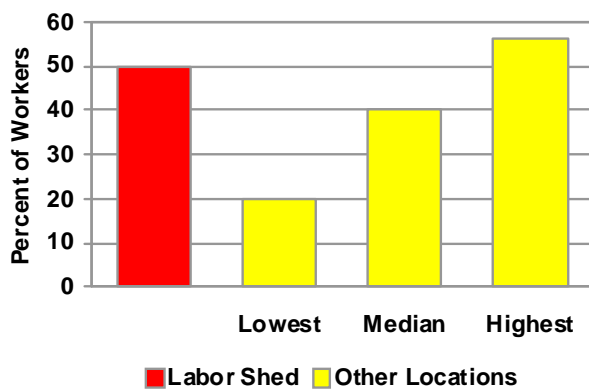
**MAINTENANCE /
INSTALLATION / REPAIR**



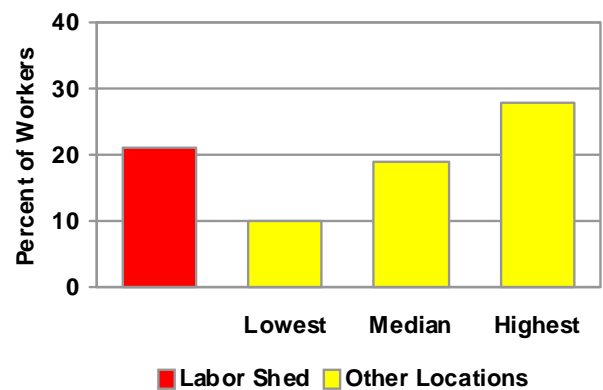
**TECHNICIAN / QUALITY
ASSURANCE**



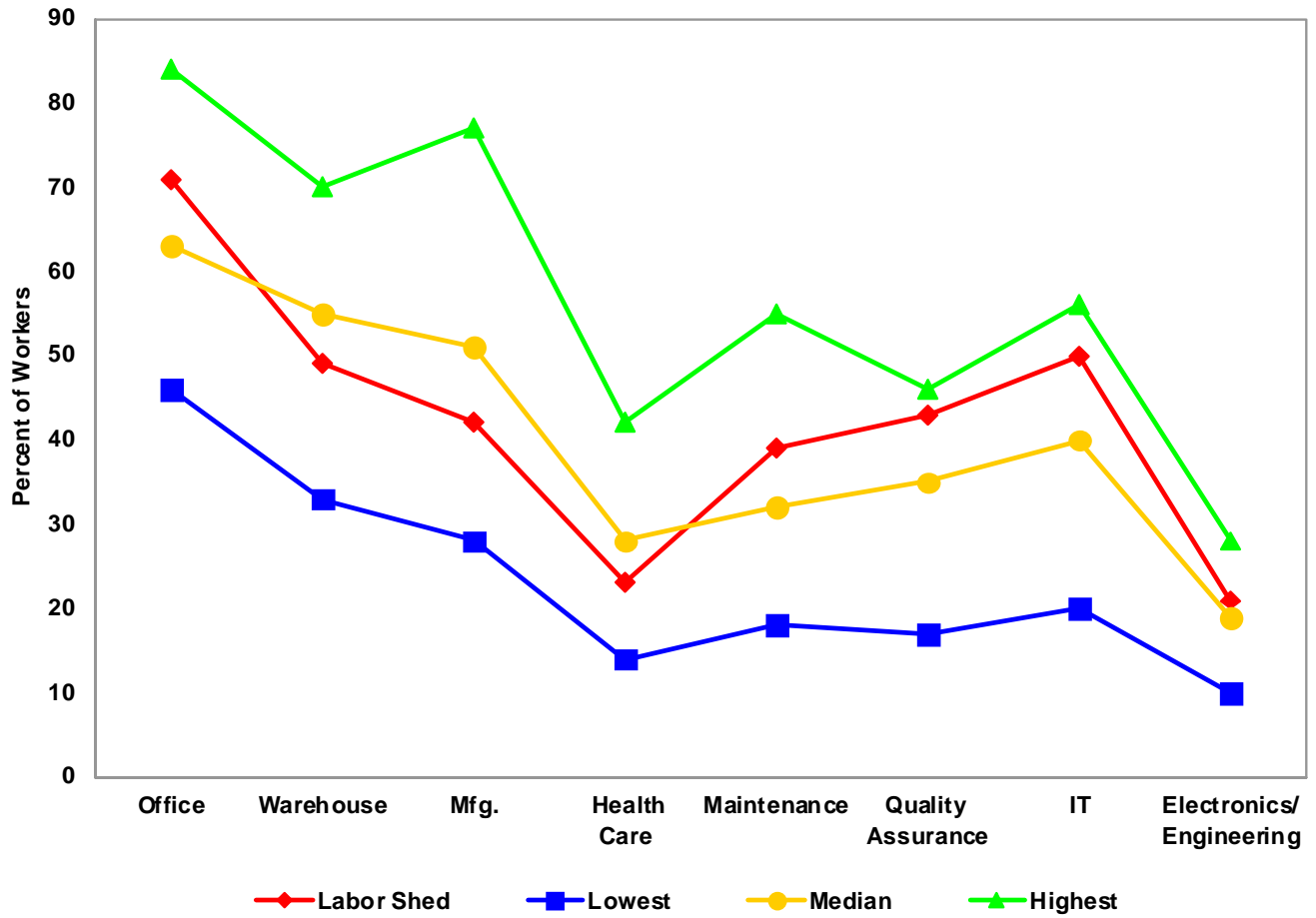
INFORMATION TECHNOLOGY



**ELECTRONICS /
ENGINEERING**



**SUMMARY COMPARISON OF SKILLS
UNDEREMPLOYED WORKERS
The Ogallala Area /
Locations Surveyed Over the Past 18 Months**



EMPLOYERS' VIEWS OF THE THE OGALLALA AREA TOTAL WORKFORCE

In developing a profile of existing workers in the Ogallala region, The Pathfinders considered such factors as labor availability, productivity, unionization, attitudes, costs, and education. The analysis was based upon interviews conducted with senior management and human resources professionals from companies located in the labor shed.

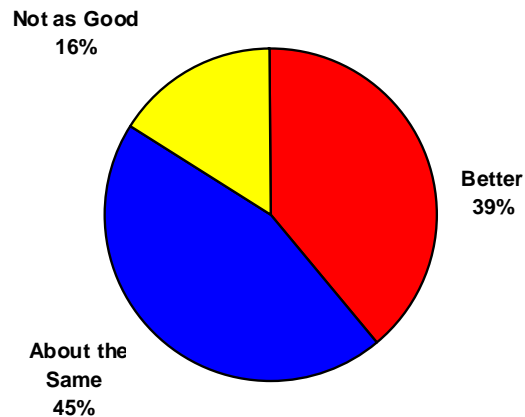
As determined from the employer interviews, the tables below reflect the top five methods used to recruit hourly and salaried workers in the Ogallala region and the percent of employers utilizing each method. Employers may use multiple recruitment methods.

| Recruiting Methods – Hourly Workers | % of Employers |
|-------------------------------------|----------------|
| Newspaper Ads | 79% |
| Internet | 33% |
| Word of Mouth | 33% |
| State Agency | 18% |
| Referrals | 15% |

| Recruiting Methods – Salaried Workers | % of Employers |
|---------------------------------------|----------------|
| Newspaper Ads | 64% |
| Internet | 48% |
| Word of Mouth | 24% |
| Recruiters | 18% |
| Colleges | 18% |

70% of the employers interviewed stated their companies had operations in other regions of the United States. Of these employers, those familiar with the workforces in those other locations reported their Ogallala area operations were comparable to the other regions in terms of profitability and production.

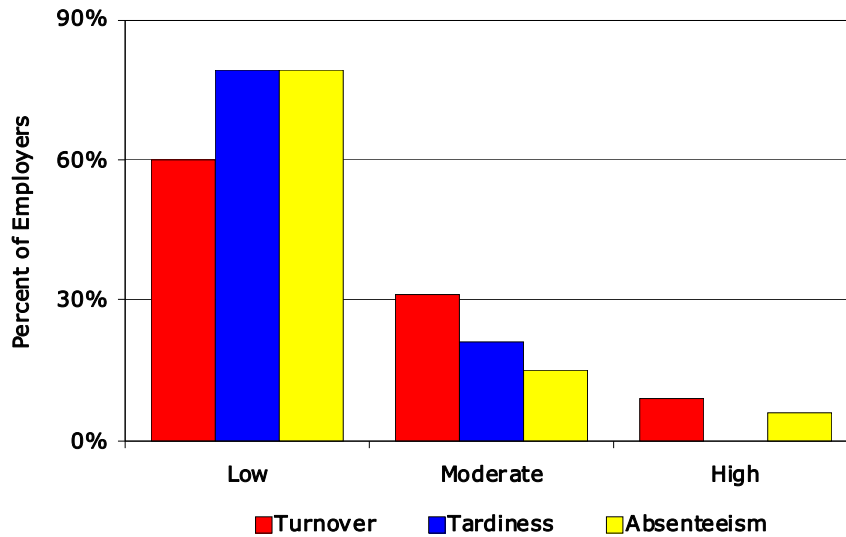
WORKFORCE COMPARISON WITH OTHER LOCATIONS



Based upon the experience of The Pathfinders in evaluating labor forces in numerous locations, a definite correlation between productivity, absenteeism, tardiness, turnover, and substance abuse appears to exist. That correlation goes beyond the fact that an absent worker is obviously unproductive. Rather, those factors are indicative of an employee's attitude toward the job.

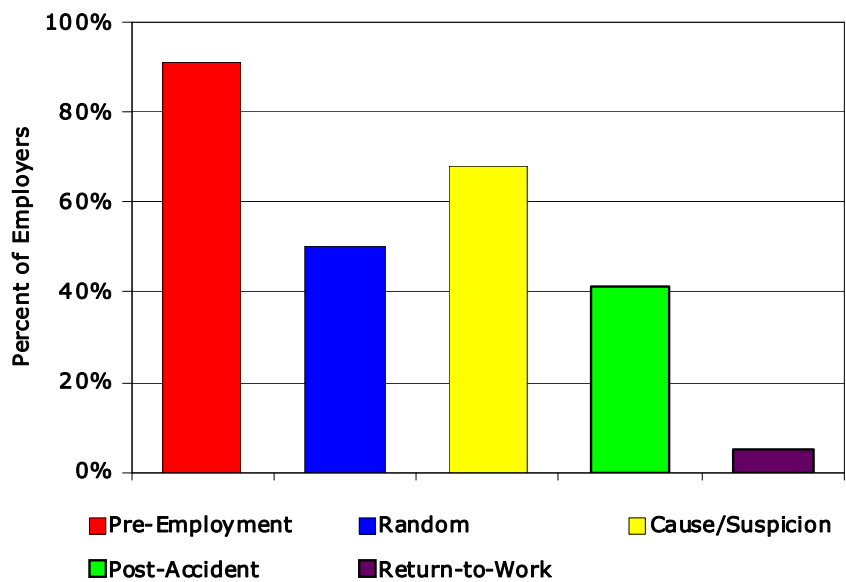
The employers surveyed in this study were asked to rate turnover, tardiness and absenteeism among their workers as "Low", "Moderate" or "High". Further, they were surveyed as to their substance abuse testing practices and asked to rate substance abuse among the area workforce. The charts on the following pages illustrate the percent of employers' ratings for these factors.

EMPLOYERS' RATINGS TURNOVER / TARDINESS / ABSENTEEISM



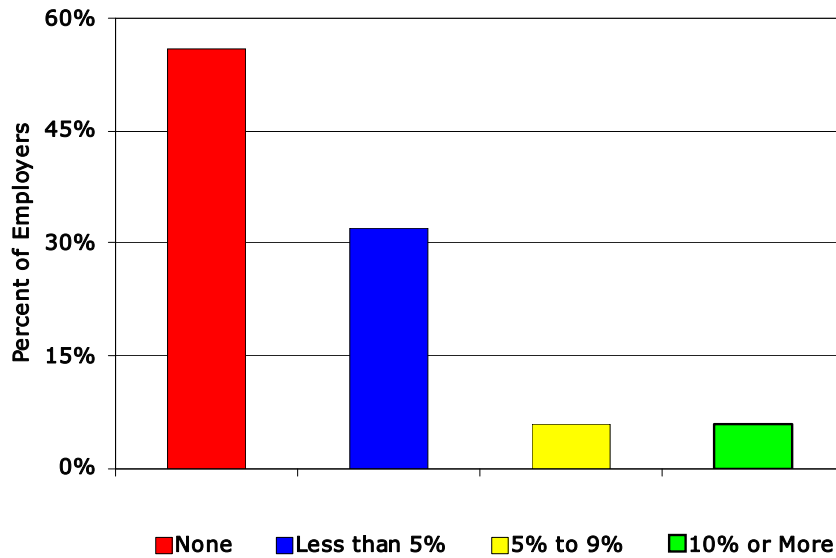
In the Ogallala labor shed, 67% of the employers interviewed stated their companies tested for substance abuse, using one or more of the following practices:

SUBSTANCE ABUSE TESTING PRACTICES

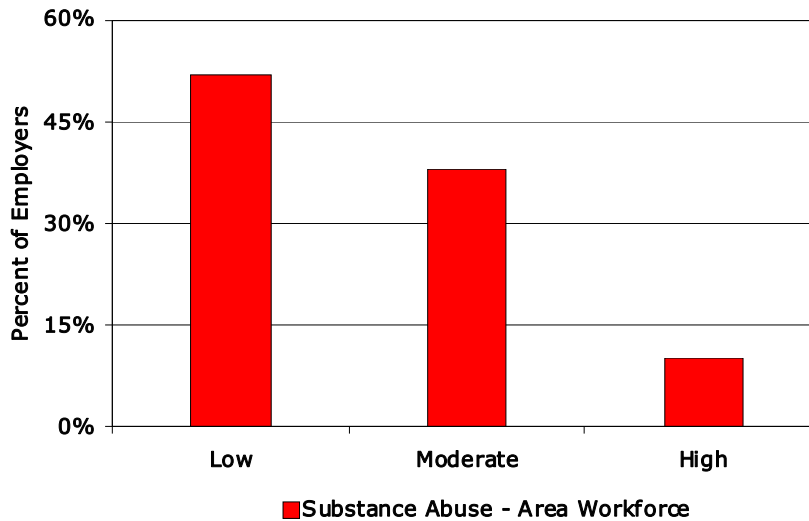


As a follow-up to the substance abuse testing practices question, employers were asked to report the approximate percentage of individuals who fail the pre-employment drug test given by the company.

PERCENT OF APPLICANTS WHO FAIL PRE-EMPLOYMENT DRUG TEST

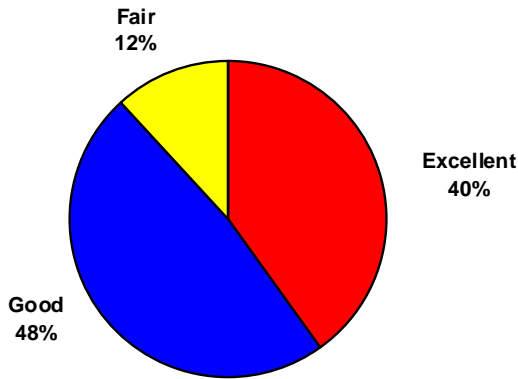


SUBSTANCE ABUSE RATING – AREA WORKFORCE

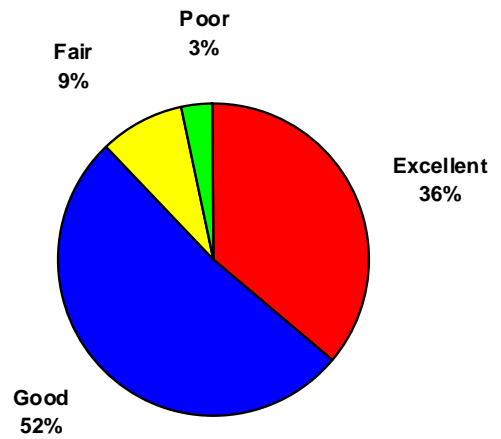


In consideration of all factors, 88% of the employers in the Ogallala area rated the productivity of the workforce as “Good” to “Excellent”. Worker attitudes received high marks from 85% of the employers.

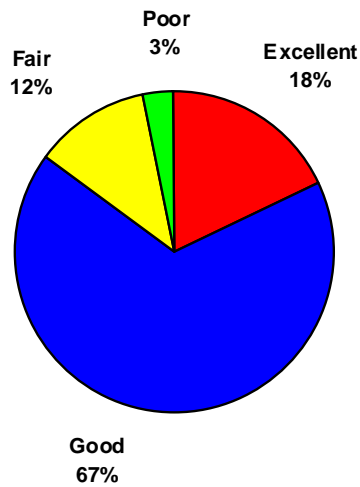
WORKER PRODUCTIVITY



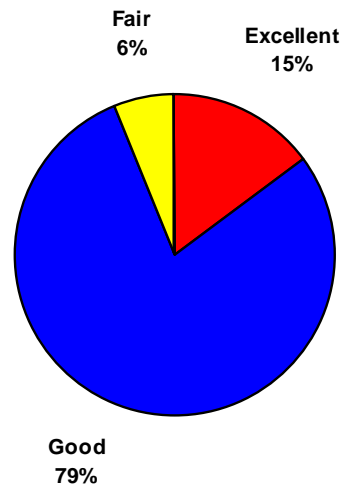
WORKER RELIABILITY



WORKER ATTITUDES

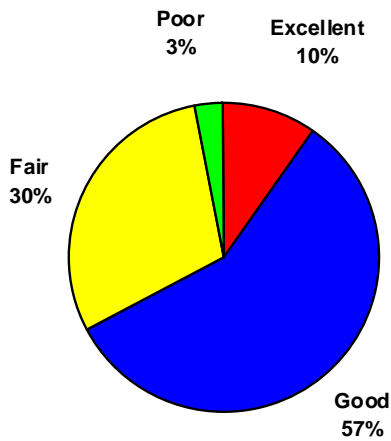


TEAMWORK SKILLS

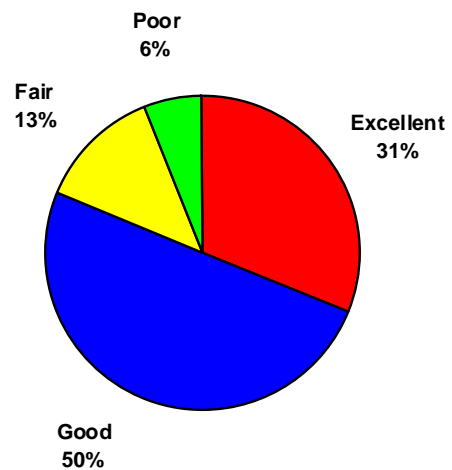


The educational competencies of employees are additional factors used to evaluate an area’s labor force. In the Ogallala area, 67% of the employers interviewed rated the local public schools as “Excellent” or “Good”, and 81% of the employers rated the local community colleges and technical schools as “Excellent” or “Good”. Ratings for basic skills and other factors are also shown.

LOCAL PUBLIC SCHOOLS



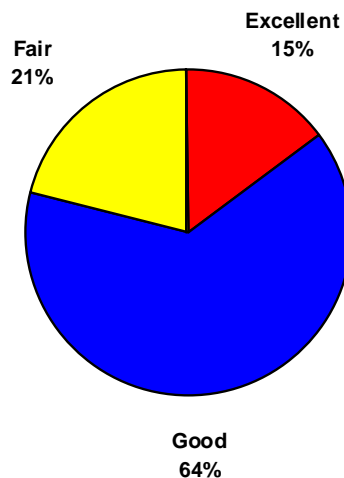
LOCAL COMMUNITY COLLEGES AND TECH SCHOOLS



READING SKILLS

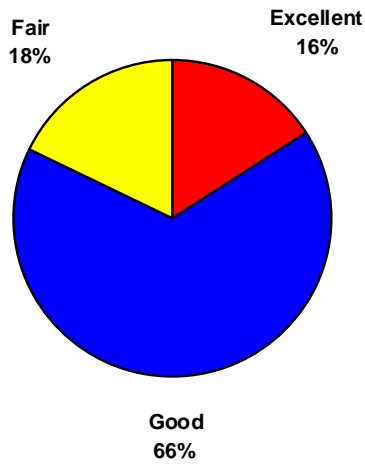


WRITING SKILLS

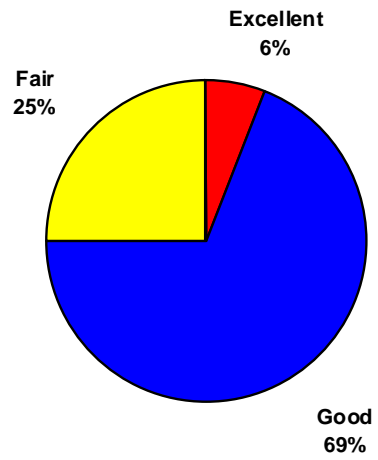


EMPLOYERS' RATINGS The Ogallala Area Labor Shed

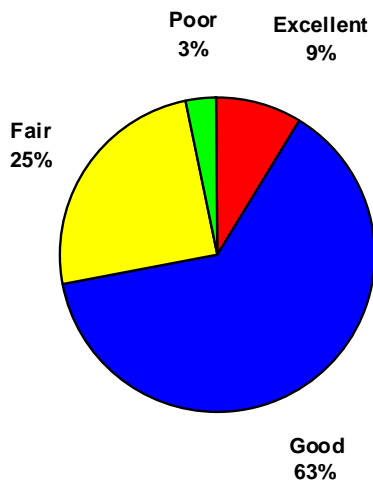
MATH SKILLS



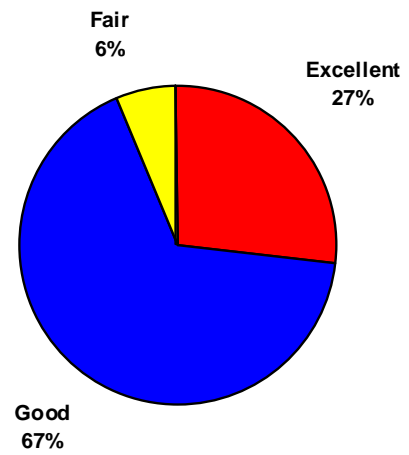
ENTRY LEVEL SKILLS



JOB READINESS SKILLS



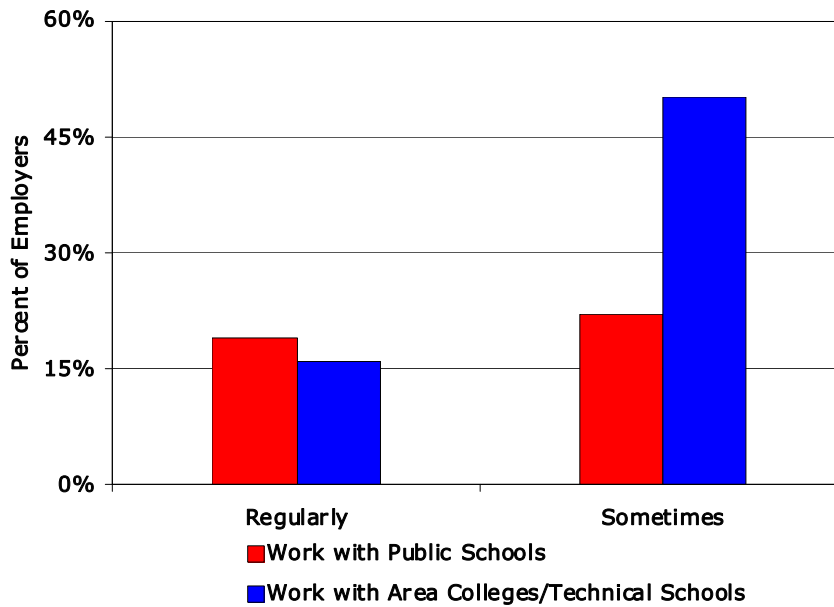
WORKER TRAINABILITY



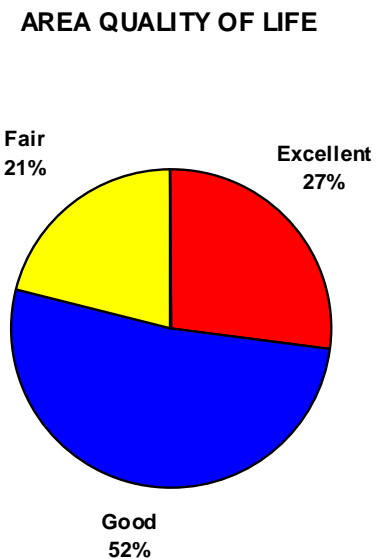
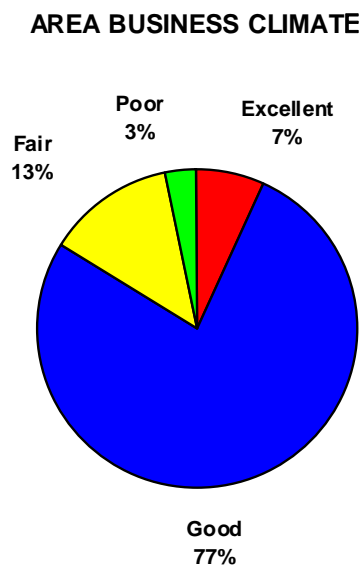
EMPLOYERS' RATINGS

The Ogallala Area Labor Shed

Additionally, many of the employers interviewed stated their companies worked with the area educational institutions in terms of apprenticeships, internships or other training programs.

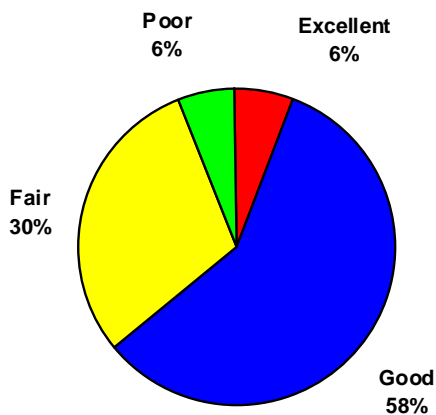


Employers gave the following ratings to the area's business climate in terms of such factors as support and regulations and also rated the area's overall quality of life.

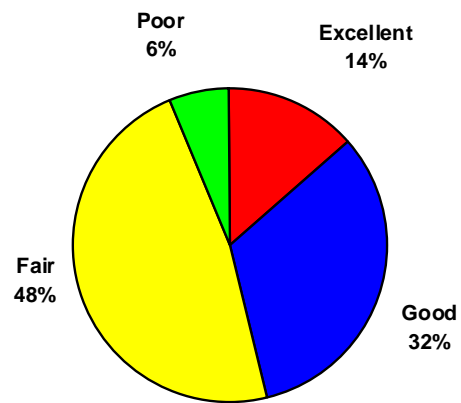


A common employer complaint relates to the availability of skilled and technical workers in a location. Of the companies in the labor shed interviewed, 64% considered skilled worker availability to be “Excellent” or “Good”, while 30% considered it to be “Fair”. The availability of technical workers in the labor shed was rated “Excellent” or “Good” by 46% of the interviewed companies and “Fair” by 48%. The ratings for the availability of these workers as well as unskilled and professional workers are illustrated in the pie charts below.

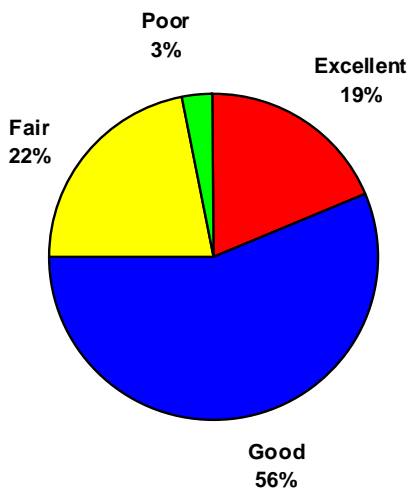
SKILLED WORKERS AVAILABILITY



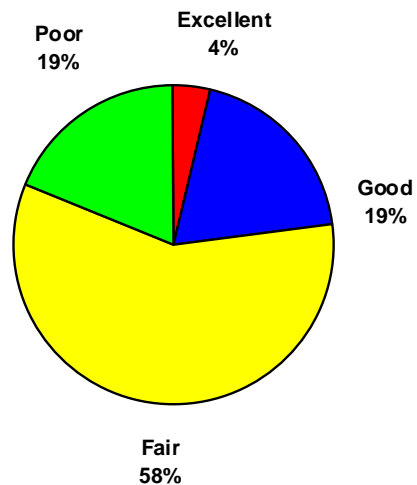
TECHNICAL WORKERS AVAILABILITY



PROFESSIONAL WORKERS AVAILABILITY



UNSKILLED WORKERS AVAILABILITY





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