

City of Cavalier and Surrounding Area Labor Availability

A collaboration of:

North Dakota Department of Commerce

University of North Dakota – Social Science Research Institute

Job Service North Dakota

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Major Findings

Summary of Findings

Site developers, economic planners, and others will often refer to the unemployment rate to determine if there is an available labor force. While a consistent measure across the country, it is incomplete. Being unemployed is defined as actively seeking work. However, some individuals who are working would be interested in changing jobs or occupations, others would want additional hours, and some are planning to find work within the year. These individuals are not normally counted as part of the available labor pool in an area. In 2002, the state of North Dakota, in cooperation with local partners, funded a study to measure the available labor pool.

In the area surrounding Cavalier, there exists a potential labor force of 4,700 individuals, or approximately 24 percent of the adult population. The majority of these individuals are currently working, but would be willing to consider alternative jobs.

Characteristics of the Potential Job Seekers		
	<u>Number*</u>	<u>Percentage</u>
Potential Job Seekers**	4,700	24.2
Actively Seeking Work	620	3.2
Planning to Look Within the Year	60	0.3
Interested in Changing Jobs	3,610	18.6
Interested in Additional Jobs	1,630	8.4
Those Discouraged From Looking	500	2.6

*Rounded to the nearest 10.

**The numbers will not total to the Potential Job Seekers, as duplication is possible.

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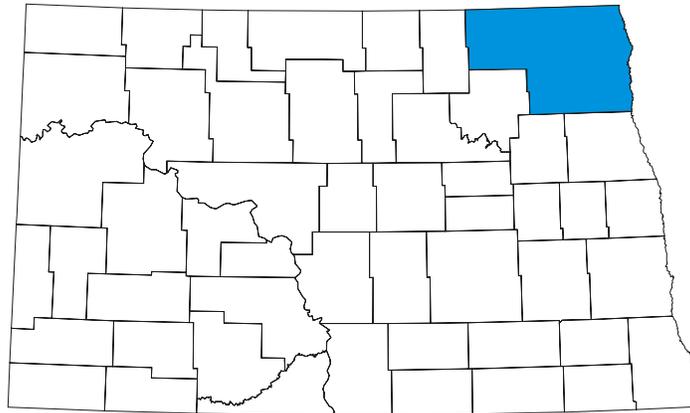
Introduction

Scope of the Study:

During the spring of 2002, the state of North Dakota sponsored a study that examined the available labor in those communities and counties that provided matching funds to conduct a labor availability survey. This was done in collaboration with the North Dakota Department of Commerce, Workforce Development Division, Job Service North Dakota, and the Social Research Institute (SSRI) at the University of North Dakota.

The purpose of the survey was to explore the potential labor force in and around the community of Cavalier, located in the northeastern portion of the state. A questionnaire was designed to identify the characteristics and the size of the potential labor force in that area. A telephone survey was conducted by the University of North Dakota SSRI, who contacted 783 respondents.

The core area for this survey included respondents from Cavalier County, Pembina County, and Walsh Counties. These areas were included because of established commuting patterns to and from city of Cavalier, located in Pembina County. The area highlighted in the adjacent map indicates the geographic area included in this report.



Area Studied

Potential Job Seekers

Definitions of Potential Job Seekers:

At the time of the study, Job Service North Dakota reported the unemployment rate for Pembina County at less than 4 percent. The study focused only on adults 18 years and older. That focus is different from the defined labor force used by the US Department of Labor and Census Bureau, which uses 16 years and older. In order to be considered unemployed, one has to be actively seeking work. However, the potential labor pool includes not only those who are actively seeking work, but also those who are working and may be interested in working for another firm. In this survey, the identified Potential Job Seekers (PJSs) were divided into five categories:

1. The unemployed who are actively seeking employment.

Those who are 18 and older who are actively seeking work.

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2. Individuals who plan to seek a job within the next year.

Those who are not working, not seeking work, but plan to be looking for work within the year would be included in this category.

3. People who are working, but would be willing to change jobs.

Using Bureau of Labor Statistics definitions, these people would be classified as employed. This group includes those individuals who are presently working who may or may not be actively seeking work, but would consider changing employers.

4. People who are currently working and are willing to take an additional job.

Like the previous group, these individuals would be defined as employed. However, they would be willing to work an additional job and, as such, are part of the possible labor pool for different businesses.

5. Individuals who are discouraged and do not look for work.

The discouraged worker is defined as someone who is not working, is not actively seeking work nor planning to find a job within the next year, but would accept a job, if it met their minimum acceptable wage requirements.

Population Characteristics

General Population Characteristics:

Within Pembina County, the census reported that the adult population 25 and older is highly trained, with almost 80 percent of the population having completed high school, which is comparable to the national average. Compared to the nation, the population of Pembina County is less mobile, with 31 percent of the population residing in a different residence than the one where they lived in 1995. Nationally, 46 percent of the population moved from their 1995 residence and lived elsewhere in 2000. The median age for the general population in Pembina County is 41.6 years of age.

According to the Pembina County Economic Development Corporation, the labor market area for Pembina County extends beyond its borders. Using the area identified, the Census reported 19,386 individuals 18 years or older who lived in the area.

Sample Population Characteristics:

The sample gathered for the Pembina County labor area closely mirrors the general population characteristics. For example, according to the census, Pembina County had slightly more males (50.1 percent) than females (49.9 percent). In comparison, the sample for the area reported slightly more female respondents than males, 52 to 48 percent. This is within the acceptable range of plus or minus 5 percent. In addition, the unemployment rate, defined as those who are actively seeking work reported by the study, was 6.3 percent, which is consistent with the reported unemployment rate for the area. The median age for the respondents was 52 years of age.

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Employment Status:

According to the survey, about 49 percent of the adult population, or almost 9,500, are currently working for wages in the Pembina County labor market area.

Active Labor Force:

The active labor force includes those who are working, 9,500 individuals, and the 620 who are actively seeking work, or a labor force of 10,120.

Inactive Labor Force:

The inactive labor force includes those who are planning to look for work within the next year (60 individuals), as well as those who are discouraged from seeking work (500 individuals). These individuals are not included in the unemployment rate, as they are not working or actively seeking work.

Characteristics of the Employed Labor Force

Employed Workers:

According to the survey, about 49 percent of the adult population, or 9,500 people, is currently working for wages in the Pembina County labor market area. These individuals work an average of 40.7 hours a week. Those involved in farming and agricultural production were most likely to work longer hours than any other group. Those involved in miscellaneous occupation (examples would include truck drivers, bus drivers, postal delivery workers and similar occupations) worked the fewest average hours, 33.4 hours per week. The following table reports the average hours worked by occupational group.

Occupation Group by Average Hours Worked	
<u>Occupational Group</u>	<u>Average Hours Worked</u>
Professional, Technical and Managerial	39.5
Clerical and Sales	35.7
Service	34.8
Farming and Agricultural Production	54.7
Processing	43.1
Machine Trades	44.9
Benchwork	41.5
Structural Work	47.0
Miscellaneous	33.4

Age Distribution:

The median age for those who are working is 45 years of age. The youngest occupational group is comprised of those involved in structural work with a median age of 35 years of age. Examples of structural work occupations would include: occupations in metal fabrication, welders, painting, plastering, heavy construction equipment, and related

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construction trades. The oldest group, with a median age of 52, was those working in benchwork occupations.

Occupational Group by Median Age

<u>Occupational Group</u>	<u>Median Age</u>
Professional, Technical and Managerial	44.8
Clerical and Sales	42.3
Service	43.8
Farming and Agricultural Production	40.0
Processing	48.4
Machine Trades	42.8
Benchwork	51.7
Structural Work	35.6
Miscellaneous	49.5

Educational Attainment:

The level of education of those currently working is impressive. The typical worker has some college, but this varies as some occupations have differing levels of required education/training. Those in the occupational group of professionals, technicians, and managers have obtained the highest level of education. Typically, this group has a college degree. The lowest level of formal training is found in three groups: service occupations, farming and agricultural production, and benchwork occupations. Individuals who are working in these occupations typically have a high school education.

Current Occupation:

The largest occupational group for the Pembina County labor area consists of professional, technical and managerial workers. The following table estimates the number of the employed by occupational group.

Occupations of Those Employed		
<u>Occupational Group</u>	<u>Number*</u>	<u>Percentage*</u>
Professional, Technical and Managerial	3,720	39.2
Clerical and Sales	1,990	20.9
Service	960	10.1
Farming and Agricultural Production	580	6.1
Processing	550	5.8
Machine Trades	480	5.0
Benchwork	380	4.0
Structural Work	340	3.6
Miscellaneous	<u>510</u>	<u>5.4</u>
Total	9,510	100.1

* Rounded data

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Trained in Another Occupation:

Of those currently working, around 41 percent are working in an occupation different from the one in which they received training. About half, 48.6 percent, of those who are working in clerical and sales were trained as professionals, technicians, and managers. In addition, 50 percent of the professional, technicians, and managers were working in occupations other than the one in which they were trained.

Longevity with Current Employer:

As a group, the benchwork workers (those involved in the assembly and/or repair of products) have the longest tenure with their current employer, with a median in excess of 11 years. Those involved in structural work have been working for their employer typically four years.

Current Wage:

Overall, the typical wage for this area is \$12.34 per hour. As an occupational group, the highest median (typical) wage is found among structural workers (skilled tradesmen and construction workers) with a wage of \$16.36 per hour. The lowest paid occupational group was involved with service occupations (\$9.53 per hour). The professional, technical, and managerial as a group, had the most diversity of income. In other words, those who are doing well as professionals, managers, or technicians are doing very well, but the majority of workers in this group are not being paid as well.

Job Service North Dakota conducts other surveys that collect information on wages. The Pembina County labor market area would be considered part of the Far East portion of the state. When comparing wages, the wages reported in the labor availability survey are consistent with the wage information gathered from employers.

Current Commute Distance:

The occupational groups likely to commute the furthest distance are those people involved in the structural work occupations, with an average of 88 miles. The group that makes the shortest commute was made up of those involved in service occupations with a commute under 22 miles. The furthest distance reported to travel to work was over 150 miles.

Characteristics of the Available Labor Force

Available Workers:

Those individuals looking for work, planning to seek work, or would consider a different or alternative job were defined as being part of the available labor force. According to the survey, there were 4,700 individuals available for work in the Pembina County area.

Work Status:

The majority of the available labor force is currently employed. Of the available labor force, over 77 percent, or 3,610 individuals, are currently working. The majority of the available labor force (76 percent) is interested in working at jobs on a year-round basis. Around 2 percent, or 70 people are currently working part-time (defined as less than 30 hours) would like to work on a full-time basis.

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Additional Employment:

According to the survey, over 1,630 individuals are willing to take on an additional job. Some of these would also be willing to consider a different employer, depending on wages, benefits and working conditions.

Available for Work in the Next Year:

Approximately 620 individuals reported that they plan to seek work within the next 12 months.

Age Distribution:

Of the available labor force, over 1,300 individuals are under the age of 35.

Age Distribution of the Available Work Force

<u>Age</u>	<u>Number*</u>	<u>Percentage*</u>
18-24	550	11.6
25-34	820	17.5
35-44	1,070	22.8
45-54	1,720	36.5
55-64	450	9.5
65 or Older	<u>100</u>	<u>2.1</u>
Total	4,710	100.0

* Rounded data

Educational Attainment:

Over 25 percent of the available labor force has a college degree or higher.

Educational Attainment of the Available Labor Force

<u>Educational Attainment</u>	<u>Number*</u>	<u>Percentage*</u>
Below HS Diploma or GED	580	12.3
HS Diploma or GED	1,640	34.8
Some College/Vo-Tech	950	20.3
Vo-Tech Graduate	380	8.0
College Degree	930	19.8
Advanced Degree	<u>230</u>	<u>4.8</u>
Total	4,710	100.0

*Rounded Data

Last Held Occupation:

The following table shows the estimated number of individuals who reported their previous job classification.

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Current Occupation of the Available Labor Force		
<u>Occupational Group</u>	<u>Number*</u>	<u>Percentage*</u>
Professional, Technical and Managerial	1,340	33.1
Clerical and Sales	1,010	25.0
Service	490	12.1
Farming and Agricultural Production	230	5.6
Processing	290	7.3
Machine Trades	190	4.8
Benchwork	130	3.2
Structural Work	60	1.6
Miscellaneous	<u>290</u>	<u>7.3</u>
Total	4,030	100.0

* Rounded data

Occupations Trained In:

Over 2,000 people were trained in an occupation other than the one they are, or have been, working in. Approximately 380 of these individuals were trained in fields requiring specialized training, including health and medicine, education, clerical, managerial, repair and mechanical technicians.

Minimum Acceptable Wage:

Lowest Acceptable Hourly Wage of Those Currently Working

<u>Occupation</u>	<u>Minimum Acceptable Average Wage</u>
Professional, Technical, and Managerial	\$13.54
Clerical and Sales	8.83
Service	9.42
Farming and Agricultural Production	10.06
Processing	10.44
Machine Trades	10.00
Benchwork	10.50
Structural Work	13.50
Miscellaneous	8.39

The median minimum acceptable wage was \$9.00 per hour.

Maximum Distance Willing to Commute:

Those involved in the processing occupations are willing to commute the furthest distance, with a median of over 70 miles. The typical distance for the available labor force was around 30 miles/30 minutes.

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Benefits Desired:

The most desired benefit for potential workers was health insurance, followed by a retirement plan, and then paid vacations. This pattern was consistent for all occupational groups.

Main Factor Influencing Decision to Change Jobs:

The single most important factor to entice someone to work at a different job other than his or her current occupation was pay, with over 45 percent citing that factor.

Work Schedule Preference:

The majority of the available labor force would like to have some ability to have a flexible schedule at work. They would prefer to work 40 hours a week and to work during the daytime.

Education & Training Willingness by Age Distribution:

The available labor force is well-trained, with over one-third, 43 percent, receiving training within the last three years. The type of training included: basic skills, product or sales information, interpersonal skills, how to be better organized, quality improvement, technical skills, and safety. The most common training was technical skills, with over one-quarter of the available labor force reporting that they had undergone this type of training.

This group is willing to be trained, if needed, for a different job. However, they would prefer to have on-the-job training, in part to take care of their existing financial responsibilities. Generally speaking, the longer the training, the fewer people who would consider that training. The most popular form of training desired is on-the-job training, with over 58 percent of the available labor force opting for that method.

Type of Company Desired by the Available Labor Force:

The available labor force would like to work for a business involved in computer technology and information processing. The least desired firm is one involved in engineering. The following table reports the desirability of different types of companies.

Industry That is of Interest to the Available Labor Force

<u>Industry</u>	<u>Percentage of Available Labor</u>
Information Computer Technology	71.3
Health Services	46.0
Engineering	35.5
Manufacturing	44.9
Business Services Operation	55.6
Machine Trades or Construction	33.2

The desirability of a particular firm is dependent on the skill sets of the available labor force. For example, of those who have a college degree or higher, about 71 percent, would like to work for an information technology firm. This same group would be the least willing to work for a firm involved in manufacturing or construction.

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Interest for Specific Industries by Educational Attainment of Available Labor (Percent)

<u>Industry</u>	<u>No HS Diploma</u>	<u>HS Graduate or (GED)</u>	<u>Some Schooling Post HS</u>	<u>Vo-Tech Graduate</u>	<u>4 Yr College Degree or Higher</u>
Information/Computer Technology	60.9	73.8	76.3	73.3	67.4
Health Services	60.9	41.5	52.6	46.7	37.8
Engineering	34.8	50.0	31.6	33.3	20.0
Manufacturing	43.5	64.6	47.4	33.3	20.0
Business Services Operation	43.5	56.9	63.2	46.7	55.6
Machine Trades or Construction	43.5	49.2	28.9	20.0	13.3

Technical Skills of the Available Labor Force:

The available labor force has a variety of skills it can bring to the workplace. The typical manager had over 5 years of experience.

About half of the available labor force, 49 percent, reported having experience with office suite software.

Self-Reported Proficiency of Various Computer/IT Skills (Percentage)

<u>Technical Skill</u>	<u>Not Skilled</u>	<u>Some Skills</u>	<u>Average</u>	<u>Fairly</u>	<u>Very Skilled</u>	<u>No Answer</u>
Word Processing	2.6	5.2	15.7	11.0	13.6	51.9
Using Spreadsheets	8.9	8.9	19.9	5.8	5.8	51.8
Using Databases	7.9	11.0	17.3	8.4	8.4	51.7
Using Desktop Publishing	14.7	7.9	13.1	7.9	7.9	51.7
Computer Programming	5.8	4.2	0.5	1.6	1.6	87.4
HTML Programming	5.8	2.1	3.1	1.0	1.0	87.5
Installing Computer Hardware	4.2	2.1	0.5	2.6	2.6	87.5

Characteristics of the Discouraged Workforce

Characteristics of the Discouraged:

According to the survey, about 500 people would be defined as discouraged workers. A discouraged worker is someone who does not have a job, is not looking for a job, and is not planning to look for a job, but knows what pay would encourage them to become a part of the labor force.

The median age of the discouraged workers is 45; the same age as those who are currently working. The most common barrier for these people to seek work is being retired or working on a family farm. Child care and lack of job skills are not considered barriers to this group.

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The discouraged workers, as a group, have attained lower levels of education than other members of the available labor force. One out of four of the discouraged workers have a high school diploma, while 10 percent of the discouraged have a college degree or higher. If training is required, almost 60 percent would like on-the-job training.

This group has not been employed for some time. Over 50 percent of the discouraged workers have no experience working for an employer within the last two years.

The minimum acceptable wage for the discouraged is \$7.75 per hour. The discouraged workers were more likely to desire seasonal work that was counter-cyclical to that of farming. The average distance the discouraged worker is willing travel to work is 21 miles.

Benefits Desired:

Discouraged workers desire health insurance, followed by retirement contributions and paid vacations. Flexible scheduling was also highly desired.

The industry that appealed to the discouraged workers was information technology, which is similar to that of the rest of the available labor force. However, the health industry was less desired by members of the discouraged work force.

Percentage of Discouraged Workers Interested by Industry

<u>Industry</u>	<u>Percentage</u>
Information/Computer Technology	50.0
Health Services	40.0
Engineering	35.0
Manufacturing	45.0
Business Services Operation	40.0
Machine Trades or Construction	30.0

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Appendix

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How the Study was Done

A workgroup which consisted of members from the Economic Development Association of North Dakota, local economic development professionals, Job Service North Dakota, the North Dakota Department of Commerce and the North Dakota Workforce Development Council developed and approved a research instrument that was standardized for statewide use, to measure the availability of labor and underemployment. This instrument measured the adult population in and around areas of the city of Cavalier. The telephone survey included all of Pembina, Walsh, and Cavalier Counties.

The study is able to report with 90 % confidence, at a level of plus or minus 5%, the characteristics of the available labor for Cavalier.

To obtain a representative sample for the city of Cavalier area labor market survey, a random selection of respondents within households were used during the data collection process. The survey of adults (18 or older) performed by the SSRI was conducted by telephone. A random sample of 10-digit telephone numbers was generated by SSRI for the primary and secondary labor market areas utilizing Genesys Sampling Systems Random Digit Dialing (RDD) in-house software. The list from which the numbers were drawn included only actual North Dakota area codes and telephone bands (that is, blocks of 1,000 consecutive numbers within North Dakota) that had contained a threshold of active residential phone numbers.

Overall, SSRI called 4,939 numbers in the Pembina County labor area to determine whether it was a working number in contrast to a nonworking number, a commercial/business line, a cell phone, data or fax line, or a non-primary household Telephone. SSRI staff classified 2,230 of these numbers as working residential numbers eligible for interview and successfully interviewed 783 of those households. Throughout the study completed interviews were monitored to determine whether the samples matched population estimates in terms of gender and the age distribution of North Dakota residents age 18 and older.

All interviews were conducted at the SSRI facilities by trained interviewers with supervision and random monitoring for technique and adherence to established

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procedures. Interviews were conducted afternoons and evenings on weekdays and weekends.

The most conservative approach of calculating a response rate for telephone surveys is the method adopted by the Council of American Survey Research Organizations (CASRO). The CASRO method uses the known status of portions of the sample that are contacted to impute characteristics of portions of the sample that were not reached. The CASRO method of calculating the response rates for primary labor market (Pembina County) yields a completion rate of 54.1 percent.