

Walsh County 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 not working but 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 Walsh County, there exists a potential labor force of 7,500 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. The labor force (those employed and unemployed) is estimated to be 51 percent of the adult population or 16,100 individuals.

Characteristics of the Potential Job Seekers

	<u>Number*</u>	<u>Percentage</u>
Potential Job Seekers**	7,500	23.8
Actively Seeking Work	970	3.1
Planning to Look Within the Year	340	1.1
Interested in Changing Jobs	5,450	17.4
Interested in Additional Jobs	2,440	7.8
Those Discouraged From Looking	970	3.1

*Rounded to the nearest 10.

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

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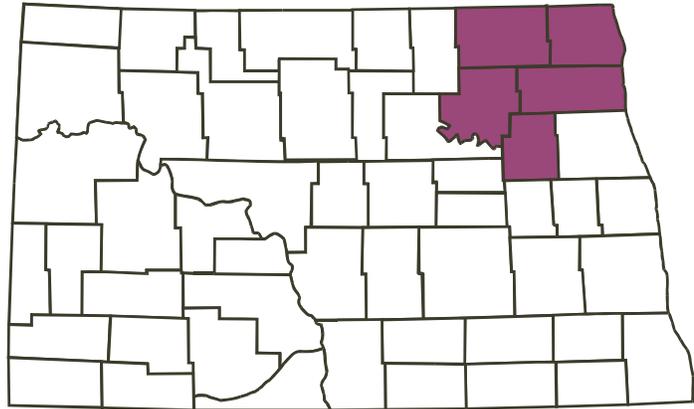
Introduction

Scope of the Study:

During the spring of 2002, the state of North Dakota sponsored a study to identify the available labor pool in those communities and counties that provided matching funds to conduct a labor availability survey. This was done in collaboration with the Workforce Development Division of the North Dakota Department of Commerce, 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 Walsh County, 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 SRI, which contacted 1,300 respondents.

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



Potential Job Seekers

Area Studied

Definitions of Potential Job Seekers:

At the time of the study, Job Service North Dakota reported the unemployment rate for Walsh 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 U.S. Department of Labor and the Census Bureau, which use 16 years and older. In order to be considered unemployed, one has to be not working and 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.

Those who are 18 and older, unemployed and 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.

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 potential labor pool for different businesses.

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

For the purpose of this study, the discouraged worker is defined as someone who is not working, is not actively seeking work, or 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:

Based on the 2000 Census, Walsh County reported a similar proportion of males to females (50 percent). The adult population 25 and older is well educated, with almost 77 percent of the population having completed high school, which is slightly less than the national average (80.4 percent). Compared to the nation, the population of Walsh County is less mobile, with 32 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 Walsh County is 40.9 years of age.

According to the Walsh County Economic Development Corporation, the labor market area for Walsh County extends beyond its borders. Using the area identified, the Census reported 31,328 individuals 18 years or older who lived in the area.

Sample Population Characteristics:

The sample gathered for the Walsh County labor area closely mirrors the general population characteristics. 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, reported by the study, was 4.5 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 48 percent of the adult population, or almost 15,130, individuals are currently working for wages in the Walsh County labor market area.

Active Labor Force:

The active labor force includes those individuals who are working (15,130) and the 970 who are actively seeking work, or a labor force of 16,100.

Inactive Labor Force:

The inactive labor force includes those who are planning to look for work within the next year (340 individuals), as well as those who are discouraged from seeking work (970 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:

The 15,130 employed individuals in the area work an average of 39.8 hours a week. Those involved in farming and agricultural production were most likely to work longer hours than any other group. Those involved in clerical and sales occupations or service occupations worked the fewest average hours, 34.8 hours per week. This indicates a larger percentage of part-time jobs in those occupations. The following table reports the average hours worked by occupational group.

Average Hours Worked by Occupation

<u>Occupational Group</u>	<u>Average Hours Worked</u>
Professional, Technical, and Managerial	39.3
Clerical and Sales	34.8
Service	34.8
Farming and Agricultural Production	54.4
Processing	42.9
Machine Trades	44.1
Benchwork	40.6
Structural Work	45.3
Miscellaneous	35.2

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 37. Examples of structural work occupations would include: occupations in metal fabrication, welders, painting, plastering, heavy construction equipment, and related construction trades. The oldest group, with a median age of 49, was those working in benchwork occupations.

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Median Age of Occupations

<u>Occupational Group</u>	<u>Median Age</u>
Professional, Technical, and Managerial	46
Clerical and Sales	45
Service	44
Farming and Agricultural Production	45
Processing	46
Machine Trades	42
Benchwork	49
Structural Work	37
Miscellaneous	47

Educational Attainment:

The level of education of those currently working is impressive. The typical worker has at least 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, these individuals have a college degree. A lower level of formal training is found in six groups: service occupations, farming and agricultural production, processing structural work, benchwork, and miscellaneous occupations. Individuals who are working in these occupations typically have a high school education.

Current Occupation:

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

Occupations of Those Employed

<u>Occupational Group</u>	<u>Number*</u>	<u>Percentage*</u>
Professional, Technical, and Managerial	6,550	43.3
Clerical and Sales	3,220	21.3
Service	1,510	10.0
Farming and Agricultural Production	820	5.4
Processing	610	4.0
Machine Trades	610	4.0
Benchwork	570	3.8
Structural Work	560	3.7
Miscellaneous	670	4.4
Total	15,120	99.9

* 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. Forty-three percent of those who are working in clerical and sales were trained as professionals, technicians, and managers. In addition, 58 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 miscellaneous workers (whose work includes driving truck and similar occupations) have the longest tenure with their current employer, with a median of 11 years. Those involved in service occupations (includes cleaning and protective services) have been working for their employer less than 4 years.

Current Wage:

Overall, the typical wage for this area is \$10.36 per hour. As an occupational group, the highest median (typical) wage is found among miscellaneous workers with a wage of \$13.22 per hour. The lowest paid occupational group was involved with service occupations (\$7.47 per hour). The professional, technical, and managerial as a group, had the widest range of wages/salary.

Wages of Those Employed

<u>Occupational Group</u>	<u>Average/Mean</u>	<u>Typical/Median</u>
Professional, Technical, and Managerial	\$18.07	\$12.00
Clerical and Sales	9.74	9.00
Service	8.90	7.47
Farming and Agricultural Production	14.98	10.00
Processing	11.58	11.00
Machine Trades	12.30	11.50
Benchwork	12.12	10.19
Structural Work	13.66	12.25
Miscellaneous	<u>13.75</u>	<u>13.22</u>
Total	\$14.03	\$10.36

Job Service North Dakota conducts other surveys that collect information on wages. The Walsh 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 consists of those people involved in the structural work occupations (occupations involved in construction) with an average commute of 21 miles. The group that makes the shortest commute was made up of those involved in farming and agricultural production with a commute of 7 miles. The furthest distance reported to travel to work was over 90 miles.

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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 7,500 individuals available for work in the Walsh County labor area.

Work Status:

The majority of the available labor force is currently employed. Of the available labor force, almost 83 percent, or 6,190 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 6.5 percent or 400 people are currently working part-time (defined as less than 30 hours), would like to work on a full-time basis.

Additional Employment:

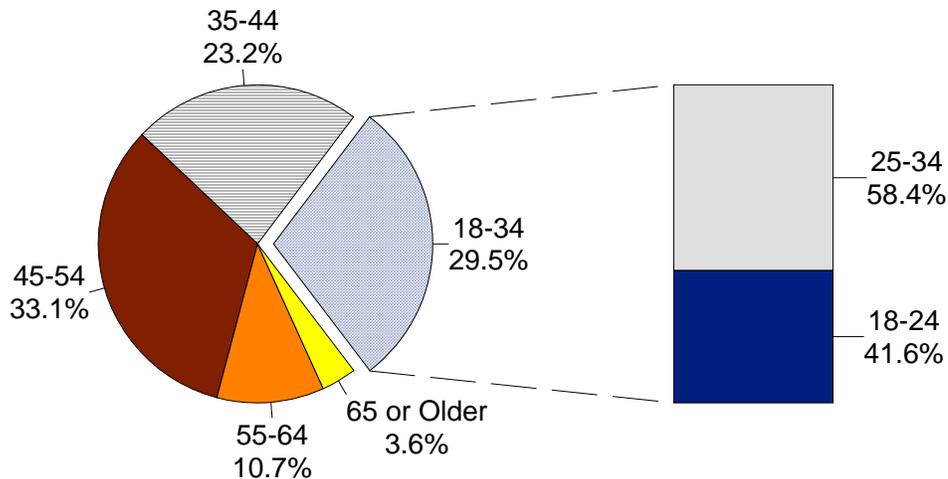
According to the survey, over 2,440 individuals are willing to take on an additional job. Some of these would also be willing to consider a different employer, depending on wages, benefits and working conditions.

Available for Work in the Next Year:

Approximately 340 individuals reported that they plan to seek work within the next 12 months.

Age Distribution:

Of the available labor force, over 2,200 individuals, or 30 percent, are under the age of 35.



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Educational Attainment:

Over 24 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	860	11.4
HS Diploma or GED	2,360	31.5
Some College/Vo-Tech	1,830	24.5
Vo-Tech Graduate	610	8.1
College Degree	1,360	18.1
Advanced Degree	480	6.4
Total	7,500	100.0

*Rounded Data

Last Held Occupation:

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

Current Occupation of the Available Labor Force

<u>Occupational Group</u>	<u>Number*</u>	<u>Percentage*</u>
Professional, Technical, and Managerial	2,040	33.0
Clerical and Sales	1,530	24.7
Service	800	13.0
Farming and Agricultural Production	460	7.4
Processing	370	6.0
Machine Trades	350	5.6
Benchwork	170	2.8
Structural Work	170	2.8
Miscellaneous	290	4.7
Total	6,180	100.0

* Rounded data

Occupations Trained In:

Almost 3,000 people were trained in an occupation other than the one they are, or have been, working in. Approximately 1,880 of these individuals were trained in fields requiring specialized training, including health and medicine, education, clerical, managerial, and repair and mechanical technicians.

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Minimum Acceptable Wage:

Lowest Acceptable Hourly Wage of Those Currently Working

<u>Occupation</u>	<u>Minimum Acceptable Average Wage</u>
Professional, Technical, and Managerial	\$12.54
Clerical and Sales	8.38
Service	8.27
Farming and Agricultural Production	9.93
Processing	9.50
Machine Trades	10.86
Benchwork	9.42
Structural Work	11.75
Miscellaneous	8.57

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

Maximum Distance Willing to Commute:

Those involved in the structural work occupations are willing to commute the furthest distance, with a median of over 45 miles. The typical distance for the available labor force was around 30 miles/30 minutes.

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 and Training Willingness by Age Distribution:

The available labor force is well educated, with 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 59 percent of the available labor force opting for that method.

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Type of Company Desired by the Available Labor Force:

The majority of the available labor force would like to work for a business involved in computer technology and information processing. The least desired firms are those involved in machine trades or construction. The following table reports the desirability of different types of companies.

<u>Industry</u>	<u>Percentage of Available Labor</u>
Information Computer Technology	70.2
Health Services	44.4
Engineering	34.3
Manufacturing	40.2
Business Services Operation	53.2
Machine Trades or Construction	32.6

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.

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	58.8	72.3	72.6	70.8	69.9
Health Services	50.0	40.4	52.1	45.8	38.9
Engineering	29.4	48.4	35.6	20.8	22.2
Manufacturing	41.2	59.6	39.7	25.0	20.8
Business Services Operation	41.2	54.3	61.6	45.8	51.4
Machine Trades or Construction	41.2	50.0	32.9	16.7	11.1

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 10 years of experience.

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

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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 Skilled</u>	<u>Very Skilled</u>	<u>No Answer</u>
Word Processing	3.9	4.2	14.6	11.3	12.0	54.0
Using Spreadsheets	9.7	7.8	17.5	7.8	3.2	54.0
Using Databases	9.1	9.1	17.2	7.4	3.2	54.0
Using Desktop Publishing	12.9	7.4	13.3	8.1	4.2	54.1
Computer Programming	7.8	3.6	1.6	1.0	0.6	85.4
HTML Programming	7.1	1.9	3.6	1.6	0.3	85.5
Installing Computer Hardware	4.9	1.9	1.6	2.6	3.6	85.4

Characteristics of the Discouraged Workforce

Characteristics of the Discouraged:

According to the survey, about 970 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 working on a family farm. The lack of child care was considered a barrier for approximately 7 percent of the discouraged workers.

The discouraged workers, as a group, have slightly higher levels of education when compared to other members of the available labor force. Approximately 30 percent of the discouraged have a college degree or higher. If training is required, 53 percent would like on-the-job training.

This group has not been employed for some time. Almost 75 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 \$9.57 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 20 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.

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Percentage of Discouraged Workers Interested by Industry

<u>Industry</u>	<u>Percentage</u>
Information/Computer Technology	60.0
Health Services	35.0
Engineering	37.5
Manufacturing	57.5
Business Services Operation	55.0
Machine Trades or Construction	42.5

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 Walsh County. The telephone survey included all of Pembina, Ramsey, Nelson, Cavalier and Walsh 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 Walsh County.

To obtain a representative sample for the Walsh County labor area, a random selection of respondents within households was 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 5,871 numbers in the Walsh County labor area to determine whether each was a working number in contrast to a nonworking number, a commercial/business line, a cell phone, data or fax line, or a nonprimary household telephone. SSRI staff classified 2,493 of these numbers as working residential numbers eligible for interview and successfully interviewed 1,300 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 procedures. Interviews were conducted afternoons and evenings on weekdays and weekends.

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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 (Walsh County) yields a completion rate of 54.7 percent.