

THE
**NORTHWEST TENNESSEE/
SOUTHWEST KENTUCKY**
AREA
LABOR AVAILABILITY REPORT

February, 2006

Compiled and Prepared by
THE PATHFINDERS



Dallas, Texas

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	SUMMARY OF FINDINGS	2
III.	METHODOLOGY.....	3
IV.	ASSESSMENT OF THE WORKFORCE	5
	A. Number of Available Workers for Employers	5
	B. Desired Wages of Underemployed Workers.....	7
	C. Median Desired Pay Rates of Underemployed Workers for Various Skills....	9
	D. Characteristics of Underemployed Workers.....	10
	E. Experience and Skills of Underemployed Workers	14
	F. Unemployed Workers	17
	G. Factors Affecting Job Desirability of Total Available Workers	20
V.	EMPLOYERS' VIEWS OF TOTAL WORKFORCE	22
	A. Recruitment Methods	22
	B. Turnover, Tardiness and Absenteeism	23
	C. Productivity and Attitudes	25
	D. Basic Communications and Calculations Ability.....	25
	E. Local Educational Providers.....	26
	F. Availability.....	27
	G. Comparisons with Other Areas	28
VI.	NATIONAL COMPARATIVE OBSERVATIONS.....	31
	A. Desired Wages	33
	B. Experience.....	35
	C. Skills	38
VII.	CLOSING REMARKS.....	41
VIII.	TRAINING INTERESTS OF TOTAL AVAILABLE WORKERS.....	42
IX.	EMPLOYER OPINIONS ON SKILLS / TRAINING	44



INTRODUCTION

The Pathfinders has employed its 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 Northwest Tennessee/Southwest Kentucky area workforce. The information presented in this report has been developed independently of the client, and the client has not influenced the findings.

The Pathfinders functions as a site-selection consultant to many of America's largest corporations, including companies such as AT&T, DuPont, Celanese, 3M Corporation, IMC Global, Singapore Aerospace, AIG, and Ciba-Geigy. The question that most often drives the search for a new business location is whether the candidate location has the workforce needed, and a workforce analysis has been a key component of the site searches conducted for these clients. Senior human resources executives from among corporate clients assisted in refining this methodology and report format. 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.

In a poll of its corporate clients, The Pathfinders found that those clients' experiences suggest that less than 10% of the new hires for new operations come from the ranks of the unemployed. Instead, these clients and other companies staff a new operation principally 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 type of quality employer that the Northwest Tennessee/Southwest Kentucky region is attempting to attract will typically hire people who come from this group. As a consequence, The Pathfinders was retained to quantify the extent to which underemployment exists in the area, as well as to document the cost, skills, experience, and education of that hidden workforce. This report represents the objective and professional view of The Pathfinders with regard to workforce availability, cost, skills, and quality that a new employer can expect in the Northwest Tennessee/Southwest Kentucky region.



SUMMARY OF FINDINGS

- The Northwest Tennessee/Southwest Kentucky area, referred to in this report as the “labor shed”, has a household population of approximately 259,300 and a civilian labor force of approximately 122,300.
- The labor shed has a pool of approximately 8,300 unemployed persons who are actively seeking work.
- A new employer will be able to attract employees from an additional pool of about 14,100 workers. These individuals are currently employed and have indicated an interest in changing jobs.
- These potentially available workers are referred to in this report as the “underemployed” because they appear to possess the skills, experience, and education to qualify them for the pay rates at which they would take a new job.
- The desired pay rates of these underemployed workers are reasonable when compared to their existing pay rates. The median current pay rate of the underemployed workers is \$13.15 per hour, and the median desired pay rate of the underemployed workers is \$15.18 per hour.
- About 25% of the underemployed workers would take a new job for \$10.48 per hour or less. At the upper end, the 25% most qualified and experienced will command more than \$21.45 per hour.
- Roughly 3,100 people, neither employed nor seeking work, might re-enter the workforce for the proper job.
- In total, the Northwest Tennessee/Southwest Kentucky area has 25,500 available workers for new or expanding businesses.



METHODOLOGY

Published government statistics report wages and employment for the entire workforce of an area, even though most of that workforce has no interest in changing jobs. This report, prepared by The Pathfinders, includes data on those people in the area who desire to change jobs and who would be potential candidate workers for a new employer. As opposed to average wages, this report quantifies the number of those workers available for an employer in various wage ranges. Also included as potential workers are the unemployed who are actively seeking work and that segment of individuals who might consider entering, or re-entering, the workforce for a good job.

The first step in assessing the workforce of the Northwest Tennessee/Southwest Kentucky 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 Northwest Tennessee/Southwest Kentucky 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 Dyer, Gibson, Lake, Obion and Weakley Counties in Tennessee; Carlisle, Fulton, Graves and Hickman Counties in Kentucky; portions of Carroll, Crockett and Henry Counties in Tennessee; and, portions of Callaway County in Kentucky.

Once the labor shed was identified, a random sample of telephone numbers of qualified respondents in the labor shed was obtained for use in the Computer Assisted Telephone Interviewing or CATI system.

The Pathfinders then conducted telephone interviews with individuals throughout the Northwest Tennessee/Southwest Kentucky region. Those individuals were proportionally stratified across age, household income, and zip codes. The purpose of these interviews 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 which accurately determined the existence of underemployment as defined in the introduction.

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 counted in the results.

This process considers that to be counted as underemployed, an individual must be currently employed and willing to take another job at a pay rate commensurate with personal skills, education, and experience.

Current pay alone is not the qualifying factor for underemployment status in this study. Individuals, for example, making \$7.50 per hour, possessing no high school degree or skills, and being in the workforce for less than one year may consider themselves to be underemployed but are not considered to be so in this report. On the other hand, education, skills, and experience may qualify the person making \$22.00 per hour as truly underemployed.

Sufficient interviews were completed with qualified individuals to produce results for that entire population group which vary by no more than plus or minus 5 percentage points. If the survey were repeated 100 times, 95 times out of 100 the results would be the same as those resulting from a survey of every individual in the entire population.

Irrespective of the fact that the methodology employed is scientifically proven to produce such results, it is perhaps even more 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.



ASSESSMENT OF THE WORKFORCE

The Northwest Tennessee/Southwest Kentucky area labor shed has a household population of approximately 259,300. The civilian labor force numbers approximately 122,300, and the labor shed contains approximately 8,300 unemployed people who are actively seeking work.

The results of this assessment determined that approximately 14,100 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. Of these 14,100 underemployed workers, approximately 2,000 of them are currently working part-time and desire to change jobs and go to work full-time. Further, the results suggest that an additional 3,100 people who are not currently employed or actively seeking work would consider re-entering the workforce. In total, the Northwest Tennessee/Southwest Kentucky area has approximately 25,500 available workers for new or existing employers.

AVAILABLE WORKERS

Number of underemployed workers	14,100
Number of unemployed persons who are actively seeking work	8,300
Number of persons who are not working, but would consider re-entering the workforce	3,100
Total Number of Workers Available for Employers	25,500

The reader is cautioned that, while the number of underemployed 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.



These underemployed workers 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 pay rates they expect to achieve range from under \$8.00 to over \$30.00 per hour.

The following data represent the desired pay rates of the underemployed individuals in the labor shed. Many workers expressed their wage requirements in weekly, monthly, or annual terms, but all wage figures in this report are presented in hourly rates. Selected conversions may add perspective to the hourly rates. Figures presented below are rounded and based on a 40-hour work week.

CONVERSION CHART

Hourly	Weekly	Monthly	Annually
\$ 8.00	\$ 320.00	\$ 1,386.00	\$ 16,640.00
\$ 10.00	\$ 400.00	\$ 1,733.00	\$ 20,800.00
\$ 12.00	\$ 480.00	\$ 2,078.00	\$ 24,960.00
\$ 14.00	\$ 560.00	\$ 2,425.00	\$ 29,120.00
\$ 16.00	\$ 640.00	\$ 2,771.00	\$ 33,280.00
\$ 18.00	\$ 720.00	\$ 3,118.00	\$ 37,440.00
\$ 20.00	\$ 800.00	\$ 3,464.00	\$ 41,600.00
\$ 22.00	\$ 880.00	\$ 3,810.00	\$ 45,760.00
\$ 24.00	\$ 960.00	\$ 4,157.00	\$ 49,920.00
\$ 26.00	\$ 1,040.00	\$ 4,503.00	\$ 54,080.00
\$ 28.00	\$ 1,120.00	\$ 4,850.00	\$ 58,240.00
\$ 30.00	\$ 1,200.00	\$ 5,196.00	\$ 62,400.00



DESIRED WAGE RATES PER HOUR BY RANGE
14,100 Underemployed Workers



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

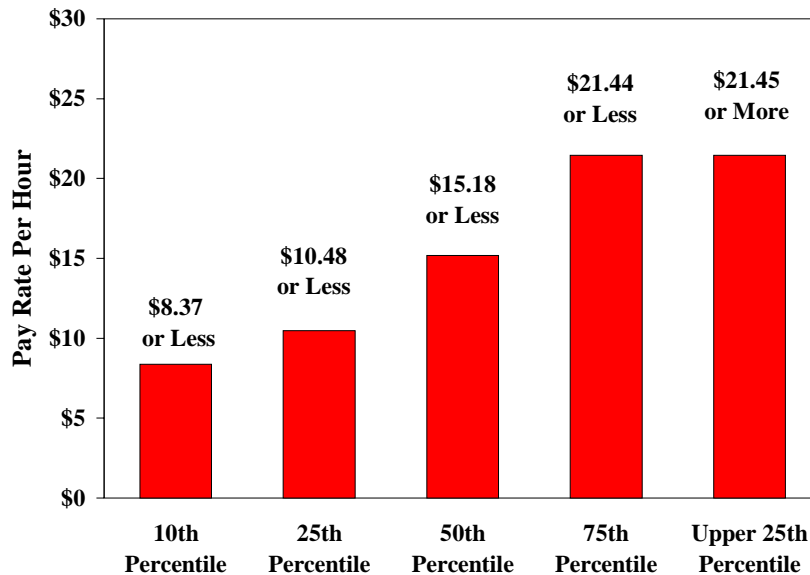
<u>\$7.99 or Less</u> 1,000	<u>\$8.00 - \$8.99</u> 1,100	<u>\$9.00 - \$9.99</u> 800	<u>\$10.00 - \$10.99</u> 1,300	<u>\$11.00 - \$11.99</u> 500
<u>\$12.00 - \$12.99</u> 1,000	<u>\$13.00 - \$13.99</u> 500	<u>\$14.00 - \$14.99</u> 600	<u>\$15.00 - \$15.99</u> 1,400	<u>\$16.00 - \$16.99</u> 400
<u>\$17.00 - \$17.99</u> 300	<u>\$18.00 - \$18.99</u> 400	<u>\$19.00 - \$19.99</u> 400	<u>\$20.00 - \$20.99</u> 700	<u>\$21.00 - \$21.99</u> 400
<u>\$22.00 - \$22.99</u> 400	<u>\$23.00 - \$23.99</u> 100	<u>\$24.00 - \$24.99</u> 600	<u>\$25.00 - \$25.99</u> 500	<u>\$26.00 - \$26.99</u> 100
<u>\$27.00 - \$27.99</u> 100	<u>\$28.00 - \$28.99</u> 100	<u>\$29.00 - \$29.99</u> 200	<u>\$30.00 - \$ 30.99</u> 200	<u>\$31.00 or More</u> 1,000



Utilizing the desired wage information as illustrated in the preceding charts, the following conclusions can be drawn concerning the underemployed workers in the Northwest Tennessee/Southwest Kentucky area:

- 10% of the underemployed workers will require \$8.37 per hour or less to change jobs.
- 25% of the underemployed workers will require \$10.48 per hour or less to change jobs.
- 50% of the underemployed workers will require \$15.18 per hour or less to change jobs.
- 75% of the underemployed workers will require \$21.44 per hour or less to change jobs.
- The upper 25% of the underemployed workers will require wages beginning at \$21.45 per hour and extending upward to over \$30.00 per hour. These are the most qualified and experienced workers.

DESIRED WAGE RATES BY PERCENTILE



**MEDIAN DESIRED PAY RATES BY SKILLS
OF UNDEREMPLOYED WORKERS**

The Northwest Tennessee/Southwest Kentucky Area Labor Shed

Skills	Desired Pay
Office Operations	\$14.58
Warehouse/Materials Handling	\$14.00
Manufacturing/Assembly/Fabrication	\$14.17
Medical/Health Sciences	\$14.93
Maintenance/Installation/Repair	\$19.25
Technician/Quality Assurance	\$17.00
Information Technology/Telecommunications	\$17.00
Electronics/Engineering	\$20.00

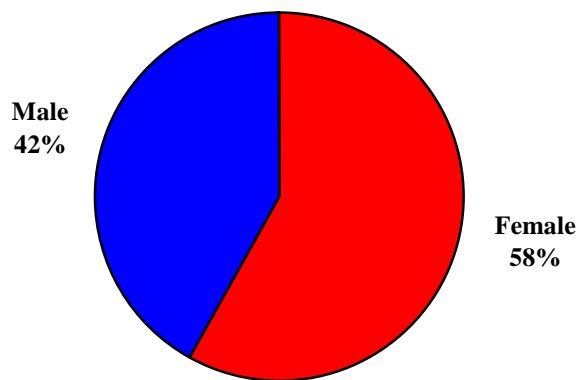


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

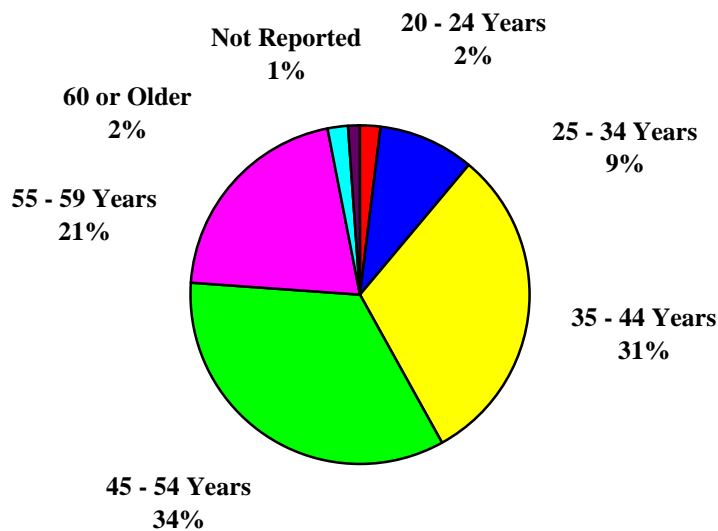
The Northwest Tennessee/Southwest Kentucky Area Labor Shed

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 as a whole.

UNDEREMPLOYED WORKERS - GENDER



UNDEREMPLOYED WORKERS - AGE

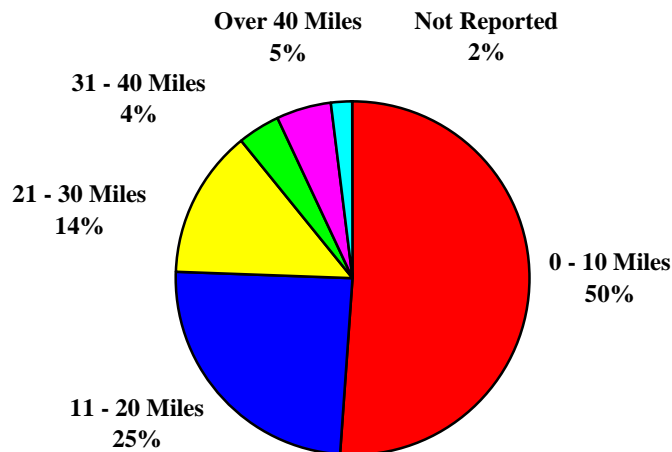


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

LENGTH OF TIME IN CURRENT JOB

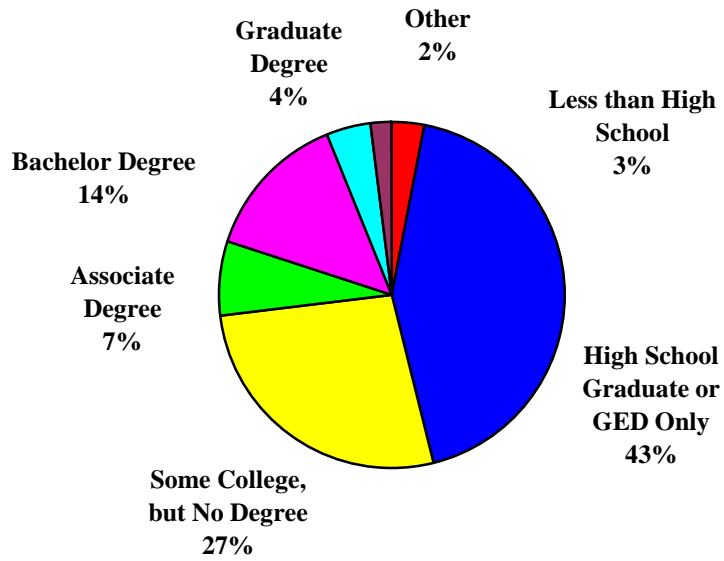


COMMUTING DISTANCES

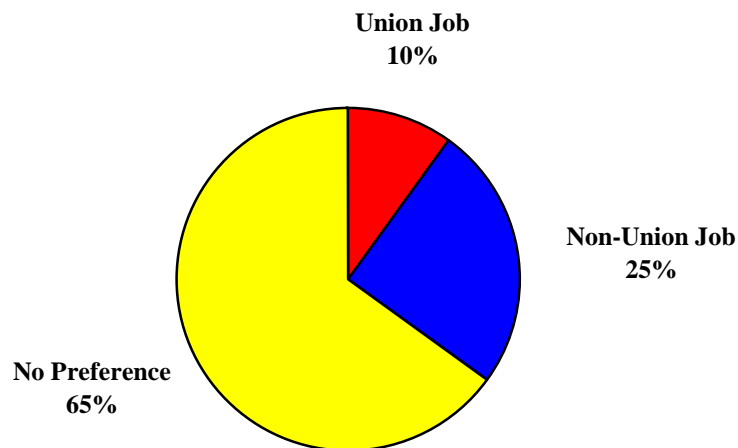


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

EDUCATION

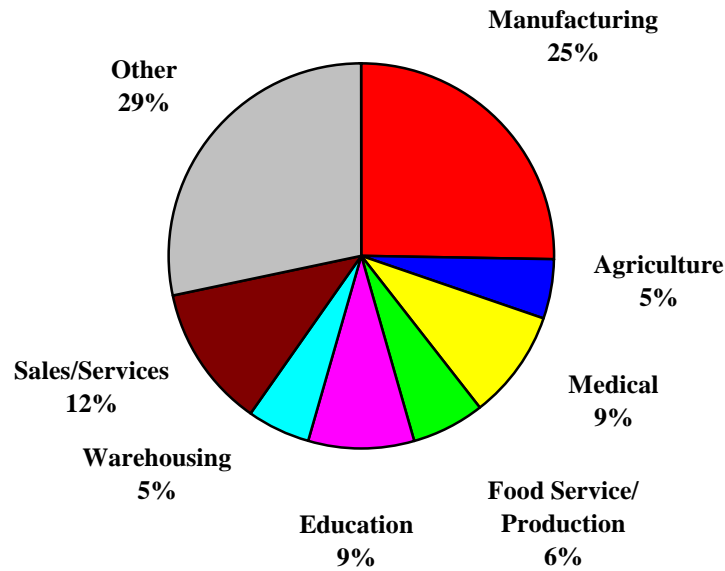


UNION PREFERENCE



CHARACTERISTICS OF UNDEREMPLOYED WORKERS

CURRENT SECTOR OF EMPLOYMENT



* The “Other” category of current employment for the underemployed workers in the Northwest Tennessee/Southwest Kentucky area includes those sectors with less than 5% representation. Those sectors are across a wide variety of categories, including, among others, trades and office.



EXPERIENCE AND SKILLS – UNDEREMPLOYED WORKERS

The Northwest Tennessee/Southwest Kentucky Area Labor Shed

The experience and skills categories used in this report are designed to provide accurate workforce data for employers which fall into one or more of the following four broad groups:

- manufacturing, assembly, fabrication or other industrial operations;
- back office, data processing, call centers, information technology, customer service or sales operations;
- distribution or transportation operations; and,
- biotechnology, pharmaceuticals or medical research operations.

The experience and skills categories are purposefully similar in order to present the most accurate worker availability for operations in one of those four groups.

An employee in the front office of a manufacturing operation will be considered to have “manufacturing” experience but may only have “office” skills. Someone with “manufacturing” experience may not have “manufacturing” skills, but could have “materials handling” skills if they work in shipping or receiving. “Sales and customer service” experience crosses many other experience and skills categories and ideally would be possessed by anyone with customer contact to any degree.

The similarities between the skills and experience categories are designed to ensure inclusiveness considering the multitude of tasks and job titles present in most business, government and institutional operations. Additionally, what may appear to some observers as redundancy is, in reality, a proven mechanism to cross-check the validity of responses and to identify the degree to which workplace and professional competencies are truly transferable to new positions and employers.



EMPLOYMENT EXPERIENCE OF UNDEREMPLOYED WORKERS**The Northwest Tennessee/Southwest Kentucky Area Labor Shed****14,100 Underemployed Workers**

Experience*	Number of Persons	Percentage
Office Operations	8,600	61%
Warehouse/Distribution/Transportation	6,800	48%
Manufacturing/Assembly/Fabrication	8,900	63%
Medical/Health Sciences	3,700	26%
Maintenance/Installation/Repair	3,500	25%
Call Center	2,000	14%
Information Technology/ Telecommunications	3,500	25%
Sales/Customer Service	7,900	56%

* Individuals polled may have experience in more than one job classification.



EMPLOYMENT SKILLS OF UNDEREMPLOYED WORKERS**The Northwest Tennessee/Southwest Kentucky Area Labor Shed****14,100 Underemployed Workers**

Skills*	Number of Persons	Percentage
Office Operations	8,700	62%
Warehouse/Materials Handling	7,900	56%
Manufacturing/Assembly/Fabrication	8,700	62%
Medical/Health Sciences	3,900	28%
Maintenance/Installation/Repair	3,400	24%
Technician/Quality Assurance	4,800	34%
Information Technology/Telecommunications	3,800	27%
Electronics/Engineering	2,000	14%

* **Individuals polled may have skills in more than one job classification.**



UNEMPLOYED WORKERS

The Northwest Tennessee/Southwest Kentucky Area Labor Shed

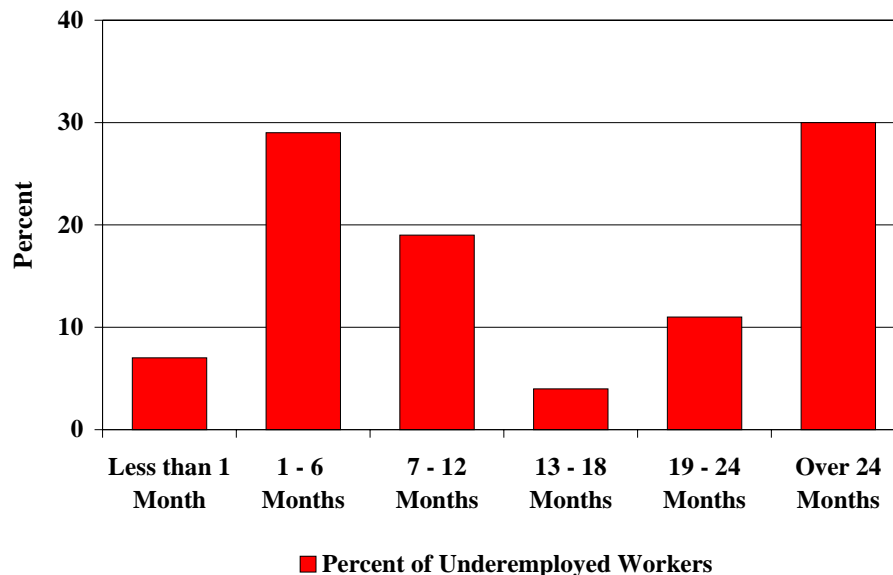
This report documents two groups of unemployed individuals in the Northwest Tennessee/Southwest Kentucky labor shed who would be available workers for a new or expanding business. The groups are classified as:

- Individuals who are actively seeking work
- Individuals who are considering re-entering the workforce

Published statistics document 8,300 unemployed workers in the labor shed who are actively seeking work. However, this number could possibly be higher since some of these potential workers may not be counted on the rolls of the state unemployment agencies.

According to the results of the household survey, the chart below shows the length of time the unemployed, actively seeking work individuals have been unemployed.

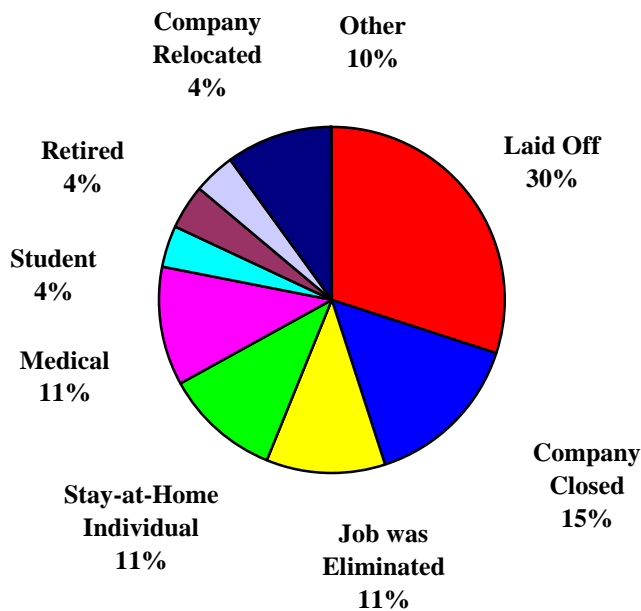
LENGTH OF TIME UNEMPLOYED Individuals Actively Seeking Work



Survey results indicate that 30% of these available workers were laid off from their jobs and 30% are unemployed due to company closures, relocations or job eliminations. Survey findings also indicate that 11% of the unemployed individuals who are actively seeking work are stay-at-home individuals; 4% are students; and, 4% are retired. The remaining 21% are unemployed due to medical-related conditions or other reasons.

REASONS FOR UNEMPLOYMENT

Individuals Actively Seeking Work



This survey indicates that 33% of the unemployed, actively seeking work individuals are male and approximately 22% have two-year degrees or higher. The average age of this group is 44. These available workers possess a variety of experience and skills in multiple categories.

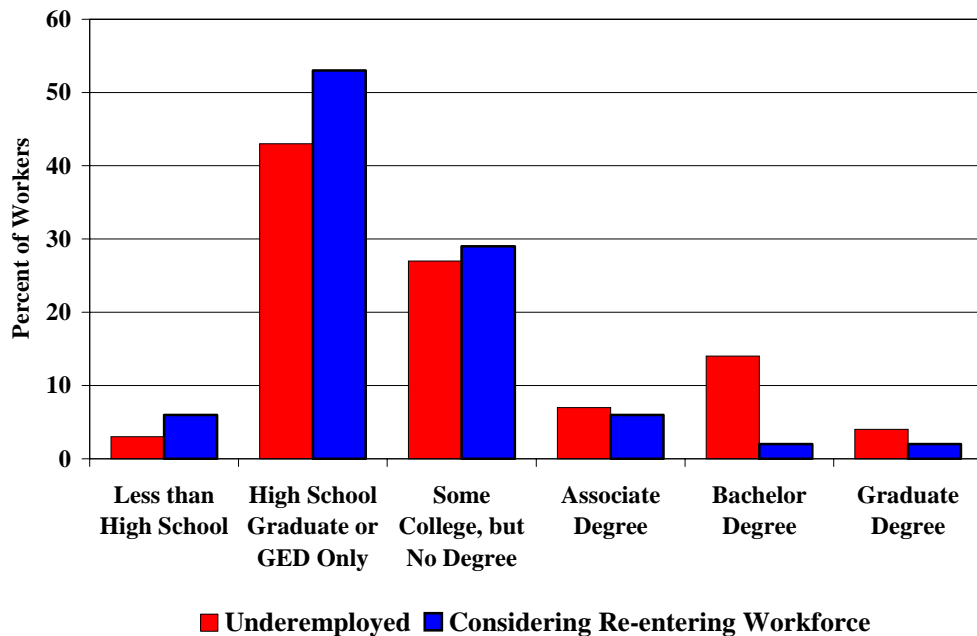
The two largest sectors of recent employment were manufacturing and retail. The median most recent pay was \$9.83 per hour, and the median desired pay rate for these available workers is \$9.50 per hour.



Furthermore, the survey results suggest that an additional 3,100 people, who are not currently employed or actively seeking work, would consider re-entering the workforce. About 77% of these additional individuals are female, and the group is four years older on average than the underemployed. The education of this additional group roughly mirrors that of the underemployed members of the workforce, albeit with a somewhat higher concentration of “High School Graduate or GED Only”.

EDUCATION LEVELS

Underemployed / Considering Re-entering Workforce



This group of available workers exhibits competitive measures of experience and skills in the areas of call center, warehousing and maintenance. The wages required by this group to re-enter the workforce fall across a broad spectrum of pay rates, with \$9.25 per hour as the median. The lower quartile would take \$7.97 or less, and the upper quartile desires \$15.39 per hour or more.

The determinations for these two segments of the workforce have a larger statistical variance than that for the underemployed.



FACTORS AFFECTING JOB DESIRABILITY
THE NORTHWEST TENNESSEE/SOUTHWEST KENTUCKY AREA
25,500 TOTAL AVAILABLE WORKERS

In an effort to identify those factors most important to the Northwest Tennessee/Southwest Kentucky area's total available workers relative to consideration of an employer's desirability, the surveyed individuals were asked to rate the following job factors on a scale of 1 to 5, with 5 being "extremely important" and 1 being "not important". The table below presents the ratings for each factor. Please note this table is reflective of the 25,500 total available workers in the Northwest Tennessee/Southwest Kentucky area, which includes the underemployed, the unemployed actively seeking work and those considering re-entering the workforce.

Factor	5 Extremely Important	4 Very Important	3 Important	2 Somewhat Important	1 Not Important
Salary	50%	36%	12%	1%	1%
Location	42%	34%	17%	5%	2%
Insurance Benefits	73%	17%	7%	1%	2%
Retirement Benefits	68%	21%	9%	1%	1%
Paid Sick Leave & Holidays	55%	31%	11%	2%	1%
Physical Working Environment	40%	35%	21%	2%	2%
On-Site Child Care	12%	9%	13%	12%	54%
Paid Training Programs	38%	33%	21%	7%	1%
Flexible Work Schedule	35%	31%	23%	8%	3%
Opportunity for Advancement	52%	29%	14%	3%	2%
Financial Stability of the Company	73%	21%	4%	1%	1%
Reputation of the Company	57%	30%	9%	2%	2%
Size of the Company	12%	16%	40%	17%	15%



In the table below, the factors are presented in order by “extremely important”. Bear in mind that the scores should be viewed in relation to each other. In other words, respondents ranked retirement benefits as more “extremely important” as a job factor than paid training programs, although such a ranking does not mean that workers in the Northwest Tennessee/Southwest Kentucky area consider paid training programs to be unimportant in their evaluation of new job opportunities.

Factor	Extremely Important
Insurance Benefits	73%
Financial Stability of the Company	73%
Retirement Benefits	68%
Reputation of the Company	57%
Paid Sick Leave & Holidays	55%
Opportunity for Advancement	52%
Salary	50%
Location	42%
Physical Working Environment	40%
Paid Training Programs	38%
Flexible Work Schedule	35%
On-Site Child Care	12%
Size of the Company	12%



EMPLOYERS' VIEWS OF THE NORTHWEST TENNESSEE/SOUTHWEST KENTUCKY AREA TOTAL WORKFORCE

In developing a profile of existing workers in the Northwest Tennessee/Southwest Kentucky region, The Pathfinders considered such factors as labor availability, productivity, unionization, attitudes, costs, and education. The analysis was based upon surveys conducted with senior management and human resources professionals from companies located in the labor shed. The interview sampling was sufficiently large to make valid workforce judgments. As determined from the employer surveys, the following table reflects the various methods used to recruit workers in the Northwest Tennessee/Southwest Kentucky region and the percent of employers utilizing that method. Many use more than one method, therefore, the percentages will not add up to 100%.

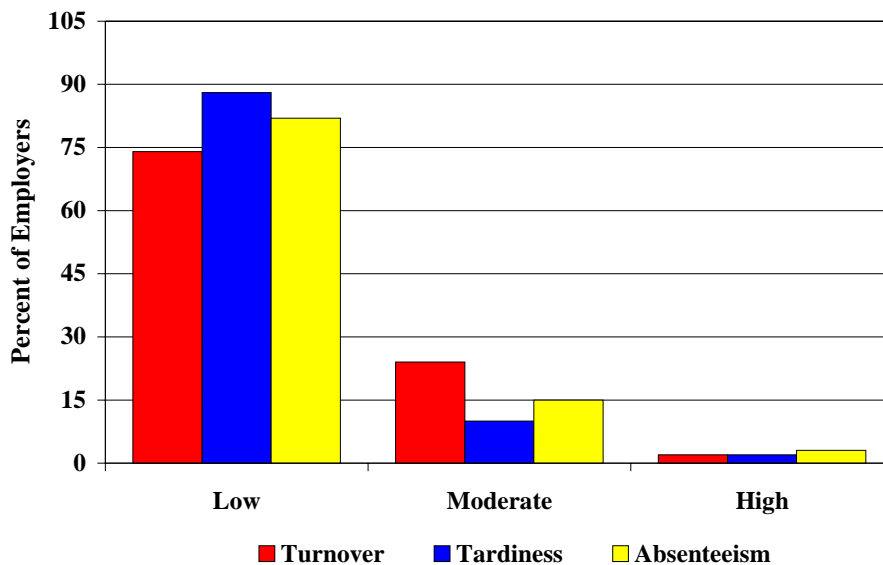
Recruiting Method	% of Employers
Word of Mouth	82%
Newspaper	68%
Walk-Ins	56%
State Agency	41%
Staffing Service	41%
Referrals	38%
Internet	21%
Job Board	15%
Colleges	15%
Networking	12%
Job Fair	9%



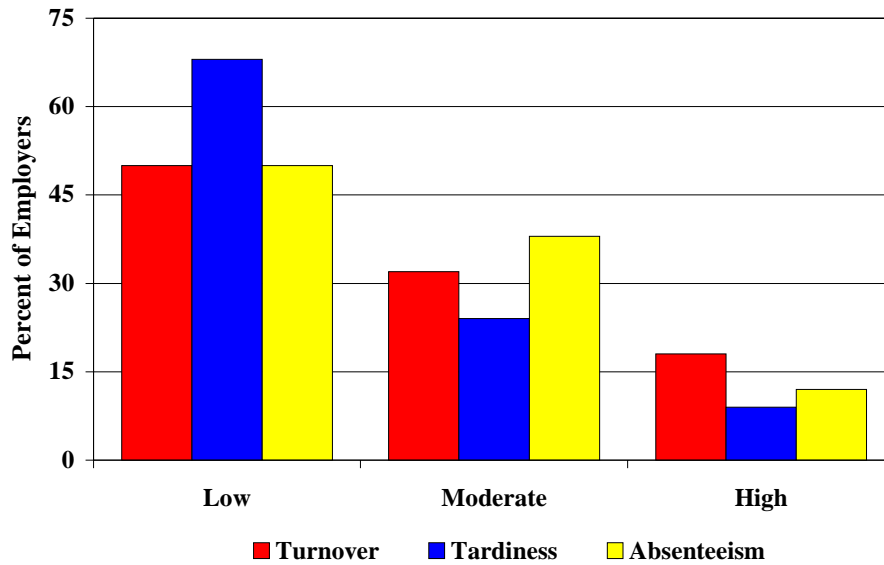
Various other recruitment methods, each with less than 9% representation, were reported by the employers. These include, among others, recruiters and radio/TV.

Employers surveyed were asked to provide subjective views of their workers, in addition to objective and quantitative measurements of labor productivity, availability, attitudes, and costs. Based upon the experience of The Pathfinders in evaluating labor forces in numerous locations, a definite correlation between productivity, absenteeism, tardiness, and turnover 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 following charts show the percent of employers rating for turnover, tardiness and absenteeism in the Northwest Tennessee/Southwest Kentucky region for skilled and unskilled workers.

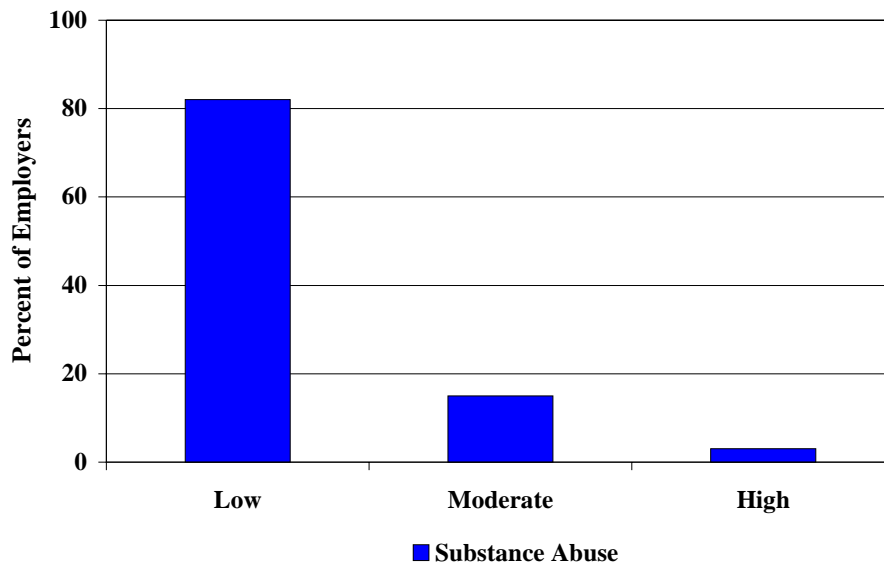
**PERCENT OF EMPLOYERS RATING
THE NORTHWEST TENNESSEE/SOUTHWEST KENTUCKY AREA
SKILLED WORKERS**



PERCENT OF EMPLOYERS RATING THE NORTHWEST TENNESSEE/SOUTHWEST KENTUCKY AREA UNSKILLED WORKERS



Also included in this correlation is the degree of substance abuse found in the workplace. In the Northwest Tennessee/Southwest Kentucky region, 82% of the employers interviewed stated their companies tested for substance abuse, primarily pre-employment and post-accident. Over all, substance abuse within the individual companies' workforces was reported as very low.



In consideration of all factors, 76% of the employers in the Northwest Tennessee/Southwest Kentucky area rated the productivity of the workforce as “Good” to “Excellent”. Worker reliability and attitudes received high marks from 65% of the employers.

**PERCENT OF EMPLOYERS RATING
THE NORTHWEST TENNESSEE/SOUTHWEST KENTUCKY AREA**

Category	Excellent	Good	Fair	Poor
Worker Productivity	21%	55%	21%	3%
Worker Reliability and Attitudes	9%	56%	32%	3%

The educational competencies of employees are additional factors used to evaluate an area’s labor force. In general, the Northwest Tennessee/Southwest Kentucky area employers rated the local educational providers as “Good” as illustrated in the accompanying charts. Employers gave the following ratings to their employees relative to competency in reading, writing, and calculations.

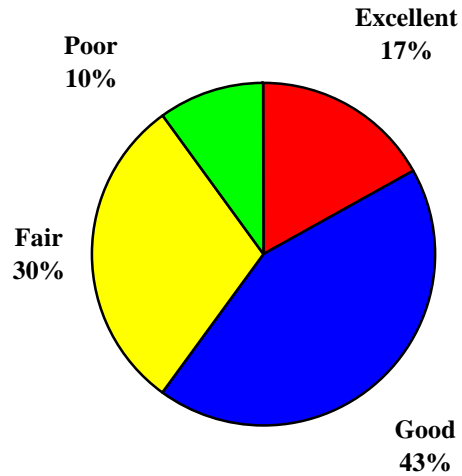
**PERCENT OF EMPLOYERS RATING
THE NORTHWEST TENNESSEE/SOUTHWEST KENTUCKY AREA**

Category	Excellent	Good	Fair	Poor
Reading/Writing Competency	3%	62%	29%	6%
Calculations Competency	3%	50%	38%	9%

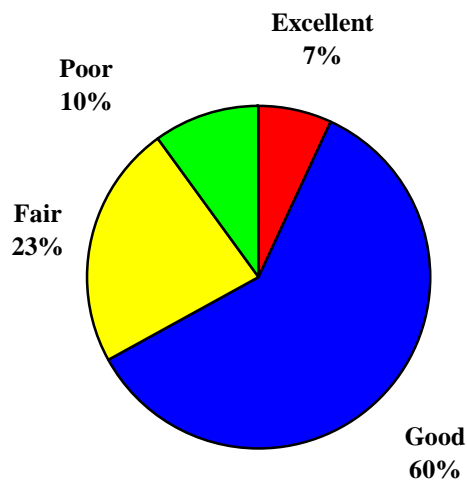


PERCENT OF EMPLOYERS RATING THE NORTHWEST TENNESSEE/SOUTHWEST KENTUCKY AREA

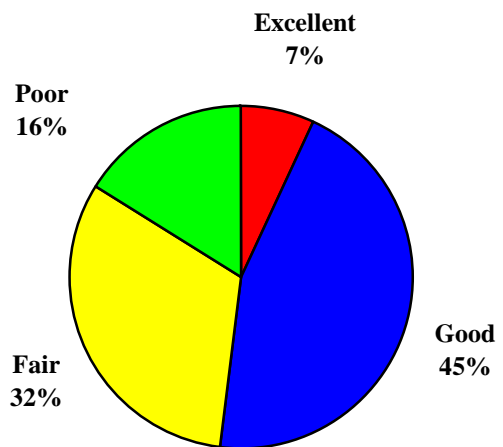
COMMUNITY COLLEGES



TRADE SCHOOLS



PUBLIC SCHOOLS



A common employer complaint relates to the shortage of skilled and technical workers. The availability of these workers in the Northwest Tennessee/Southwest Kentucky region must be viewed from the perspective of comparative availability when other areas of the state and nation are considered. Skilled and technical workers are in great demand and difficult to find in the vast majority of locations. Of the companies in the labor shed surveyed, 34% considered skilled worker availability to be “Excellent” or “Good”, while 41% considered it to be “Fair”. The availability of technical workers in the labor shed was rated “Excellent” or “Good” by 42% of the interviewed companies and “Fair” by 32%.

The following table provides a composite portrait of employers’ experiences with and opinions of workers in the Northwest Tennessee/Southwest Kentucky region. Taken in context with the data gathered and presented in the workforce survey, a balanced profile of the attributes of individuals available to fill the labor needs of new and expanding firms is provided.

**PERCENT OF EMPLOYERS RATING
THE NORTHWEST TENNESSEE/SOUTHWEST KENTUCKY AREA**

Category	Excellent	Good	Fair	Poor
Availability of Skilled Workers	3%	32%	41%	24%
Availability of Unskilled Workers	25%	48%	18%	9%
Availability of Professional Workers	10%	39%	42%	9%
Availability of Technical Workers	7%	35%	32%	26%
Worker Productivity	21%	55%	21%	3%
Worker Reliability and Attitudes	9%	56%	32%	3%
Reading/Writing Competency	3%	62%	29%	6%
Calculations Competency	3%	50%	38%	9%

COMPARISONS OF EMPLOYERS RATINGS TOTAL WORKFORCE

The Northwest Tennessee/Southwest Kentucky Area Labor Shed / Locations Previously Surveyed

In the course of workforce surveys, local employers are asked to rate their workers on a number of factors. Those factors include: worker productivity; worker reliability and attitudes; reading/writing competency; calculations competency; entry level skills; availability of skilled workers; availability of unskilled workers; availability of technical workers; and, availability of professional workers. Local employers are asked to rate each factor either “Excellent”, “Good”, “Fair”, or “Poor”.

The purpose of these interviews and ratings is not only to determine how local employers rate their workers but also to provide a means for comparing local ratings to those of all locations surveyed during the past eighteen months. Such comparison will enable you to assess your employers’ ratings of their workers in contrast to the body of thousands of employer ratings recorded in that period.

The following charts present the comparative results for each factor. They compare the percentages of the Northwest Tennessee/Southwest Kentucky area employers who rated their workers “Excellent”, “Good”, “Fair”, or “Poor” on each factor with the “Highest” rating of that factor in all areas surveyed in the last eighteen months and the “Median” rating for that factor in all areas surveyed during that time. As a result, the “Highest” and “Median” ratings do not add to 100%.

For example, 21% of the Northwest Tennessee/Southwest Kentucky area employers rated “Worker Productivity” as “Excellent”. Of all the locations surveyed during the last eighteen months, the “Median” for that rating is 33%, and the “Highest” rating recorded in the “Excellent” category is 54%. The same comparison applies for each of the other factors. In these charts, the Northwest Tennessee/Southwest Kentucky area is shown as “Labor Shed”.



WORKER PRODUCTIVITY

Excellent		Good		Fair		Poor	
Highest	54%	Highest	76%	Highest	22%	Highest	10%
Labor Shed	21%	Labor Shed	55%	Labor Shed	21%	Labor Shed	3%
Median	33%	Median	57%	Median	10%	Median	2%

WORKER RELIABILITY AND ATTITUDES

Excellent		Good		Fair		Poor	
Highest	50%	Highest	71%	Highest	34%	Highest	11%
Labor Shed	9%	Labor Shed	56%	Labor Shed	32%	Labor Shed	3%
Median	24%	Median	54%	Median	19%	Median	4%

READING/WRITING COMPETENCY

Excellent		Good		Fair		Poor	
Highest	40%	Highest	80%	Highest	56%	Highest	13%
Labor Shed	3%	Labor Shed	62%	Labor Shed	29%	Labor Shed	6%
Median	12%	Median	59%	Median	22%	Median	7%

CALCULATIONS COMPETENCY

Excellent		Good		Fair		Poor	
Highest	33%	Highest	86%	Highest	64%	Highest	15%
Labor Shed	3%	Labor Shed	50%	Labor Shed	38%	Labor Shed	9%
Median	10%	Median	57%	Median	25%	Median	9%



AVAILABILITY OF SKILLED WORKERS

Excellent		Good		Fair		Poor	
Highest	19%	Highest	66%	Highest	51%	Highest	53%
Labor Shed	3%	Labor Shed	32%	Labor Shed	41%	Labor Shed	24%
Median	5%	Median	44%	Median	33%	Median	15%

AVAILABILITY OF UNSKILLED WORKERS

Excellent		Good		Fair		Poor	
Highest	44%	Highest	81%	Highest	38%	Highest	16%
Labor Shed	25%	Labor Shed	48%	Labor Shed	18%	Labor Shed	9%
Median	26%	Median	50%	Median	22%	Median	6%

AVAILABILITY OF PROFESSIONAL WORKERS

Excellent		Good		Fair		Poor	
Highest	26%	Highest	60%	Highest	58%	Highest	44%
Labor Shed	10%	Labor Shed	39%	Labor Shed	42%	Labor Shed	9%
Median	6%	Median	32%	Median	39%	Median	17%

AVAILABILITY OF TECHNICAL WORKERS

Excellent		Good		Fair		Poor	
Highest	30%	Highest	65%	Highest	76%	Highest	54%
Labor Shed	7%	Labor Shed	35%	Labor Shed	32%	Labor Shed	26%
Median	6%	Median	34%	Median	39%	Median	15%



NATIONAL COMPARATIVE OBSERVATIONS

As a matter of course in site-selection projects, The Pathfinders evaluates published government workforce statistics. Those statistics, however, depict the entire workforce while only a minority segment of those workers will be considered for or have an interest in new jobs with a company. The characteristics of the select, underemployed workforce group represented in this report may vary significantly from the workforce as a whole as reported in published government data.

Accordingly, the information presented in the workforce report for the Northwest Tennessee/Southwest Kentucky region covers those members of the workforce who are, by virtue of their underemployment, potential candidates for new jobs. Existing employers, or new employers recruited to the Northwest Tennessee/Southwest Kentucky region, typically will not depend heavily on the unemployed to staff a new operation or to fill vacancies in existing operations caused by turnover or expansions. Companies look to the ranks of people who are already employed but are seeking to better themselves. Those individuals in that category who appear to possess the education, skills, and experience to merit a better job are classified as underemployed.

The workforce report issued by The Pathfinders documents the availability of underemployed workers as well as the skills, experience, education, and costs of individuals in that hidden workforce in the Northwest Tennessee/Southwest Kentucky region. This section of the report provides a comparison of the characteristics of the labor shed's underemployed workforce with the underemployed workforces in other communities previously surveyed throughout the nation. A prospect company considering the Northwest Tennessee/Southwest Kentucky region as a location will judge its workforce on a comparative basis. This section of the report will allow local economic development professionals to view the region's workforce in relation to others across the country. The comparative data for other locations used in the following charts and tables reflect information accumulated over the past eighteen months. The Pathfinders maintains a continuing database of over 600 surveyed counties and communities and more than 30 million workers.



Locations Used In Comparative Analysis

In the various charts which follow this page, this labor shed is compared with others for the purpose of making the data meaningful. In the charts, figures for this labor shed are shown alongside the “lowest”, “median” and “highest” figures from other workforce surveys conducted by The Pathfinders. The comparisons are with communities and counties representing both larger and smaller and those similar in size to this labor shed. They are also scattered throughout the nation, and a partial listing of locations from which the “low”, “median” and “high” data reported are derived includes:

Albany, NY	Cullman County, AL	LaSalle, IL	San Angelo, TX
Albuquerque, NM	Culpeper County, VA	Lea County, NM	San Marcus, TX
Allegany County, MD	Danville, IL	Lebanon, KY	Scranton, PA
Amarillo, TX	Daytona Beach, FL	Lee’s Summit, MO	Sequin, TX
Anderson, IN	Decatur, AL	Lexington, KY	Seneca County, NY
Ardmore, OK	Eastern Shore, MD	Long Island, NY	Shasta County, CA
Atascadero, CA	Elizabethtown, KY	Longview, TX	Shelby County, AL
Atlanta, GA	Evansville, IN	Louisville, KY	Shreveport, LA
Auburn, AL	Fairfield County, OH	McDowell County, NC	Sikeston, MO
Baldwin County, AL	Fargo, ND	Moberly, MO	Silver City, NM
Bay County, FL	Fauquier County, VA	Mobile, AL	Spartanburg, SC
Bedford, TX	Grant County, NM	Mohawk Valley, NY	Spokane, WA
Binghamton, NY	Grant County, WA	Monroe County, NY	Springfield, IL
Birmingham, AL	Grays Harbor, WA	Montgomery, AL	Sullivan County, NY
Boone County, IN	Greene County, NY	Moorhead, MN	Sumter County, SC
Bowie, TX	Grenada, MS	Muncie, IN	Syracuse, NY
Bryan/College Station, TX	Hazleton, PA	New Braunfels, TX	Tallahassee, FL
Buffalo, NY	Henderson, KY	New York City, NY	Taylor, TX
Bullitt County, KY	Hendricks County, IN	Ontario County, NY	Terre Haute, IN
Cambridge, MD	Hernando County, FL	Oswego County, NY	Tioga County, NY
Campbellsville, KY	Hudson Valley, NY	Owsley County, KY	Tipton County, IN
Cape Girardeau, MO	Huntsville, AL	Paducah, KY	Tomball, TX
Casper, WY	Hurst, TX	Pampa, TX	Tupelo, MS
Centralia, IL	Hutto, TX	Panama City, FL	Tuscaloosa, AL
Champaign County, IL	Independence, MO	Pensacola, FL	Ulster County, NY
Chattanooga, TN	Indianapolis, IN	Polk County, NC	Vermillion County, IN
Cheyenne, WY	Jackson, MS	Prescott Valley, AZ	Vineland, NJ
Cleveland County, NC	Jackson County, MO	Reno, NV	Warren County, VA
Clinton, SC	Jay County, IN	Rutherford County, NC	Watertown, SD
Conroe, TX	Lake Havasu, AZ	Rutherford County, TN	Wilkes-Barre, PA
Corpus Christi, TX	Laramie, WY	Salem, IL	Williamsport, PA



The workforce report documented the number of underemployed workers in the labor shed who would be available for an employer at various pay rates ranging from \$8.00 per hour or below to \$30.00 per hour or above and who appear to have the skills, experience, and education to justify the desired pay rates. The table below shows that 25% (lower quartile) of the underemployed workers in the labor shed would take a new job for \$10.48 per hour or less. In locations surveyed over the past eighteen months, the lowest desired pay rate in the lower quartile of underemployed workers was \$9.16 per hour or less, the median \$10.72 or less, and the highest desired pay rate was \$12.96 per hour or less.

**DESIRED WAGES (per hour) – LOWER QUARTILE
UNDEREMPLOYED WORKERS**

Desired Wage Labor Shed	Lowest Desired Wage Locations Surveyed Past 18 Months	Median Desired Wage Locations Surveyed Past 18 Months	Highest Desired Wage Locations Surveyed Past 18 Months
\$10.48 or Less	\$9.16 or Less	\$10.72 or Less	\$12.96 or Less

Those underemployed workers in the upper quartile have more education, better skills, and greater experience. Yet based on current pay rates, they are considered to be underemployed. In the labor shed, the underemployed individuals in the upper 25% desire \$21.45 per hour or more. In locations surveyed over the past eighteen months, the lowest desired pay rate in the upper quartile of underemployed workers was \$16.91 or more, the median \$20.37 or more, and the highest was \$25.54 per hour or more.

**DESIRED WAGES (per hour) – UPPER QUARTILE
UNDEREMPLOYED WORKERS**

Desired Wage Labor Shed	Lowest Desired Wage Locations Surveyed Past 18 Months	Median Desired Wage Locations Surveyed Past 18 Months	Highest Desired Wage Locations Surveyed Past 18 Months
\$21.45 or More	\$16.91 or More	\$20.37 or More	\$25.54 or More



The following charts compare the percentages of underemployed workers in the Northwest Tennessee/Southwest Kentucky region who have experience in various fields of employment with the percentages of underemployed workers in locations surveyed over the past eighteen months who have the same type of experience. In the charts, the Northwest Tennessee/Southwest Kentucky region is referred to as “labor shed”.

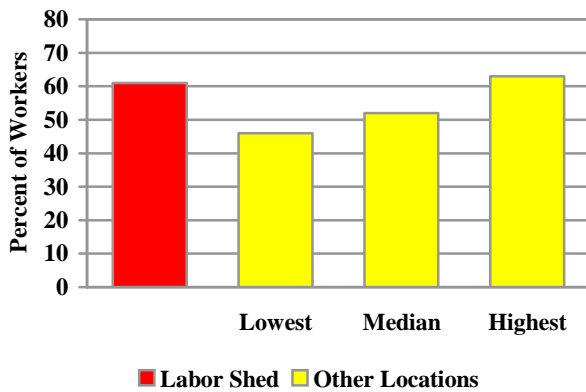
The experience charts are followed by skills charts, which compare the percentages of underemployed workers in the Northwest Tennessee/Southwest Kentucky region who possess various types of employment skills with the percentages of underemployed workers in locations surveyed over the past eighteen months who possess the same skills. In the charts, the Northwest Tennessee/Southwest Kentucky region is referred to as “labor shed”.



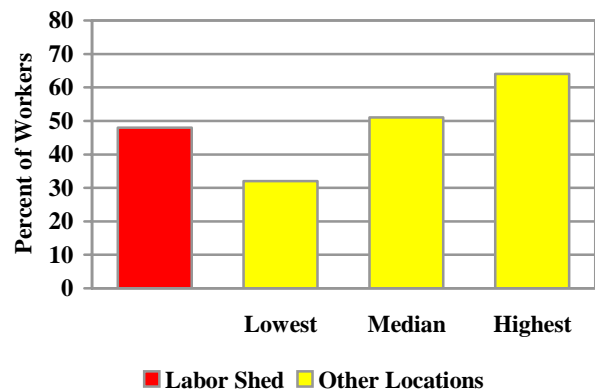
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

**The Northwest Tennessee/Southwest Kentucky Area /
Locations Surveyed Over the Past 18 Months**

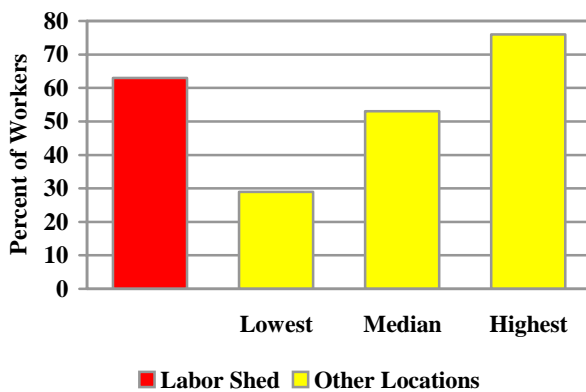
OFFICE



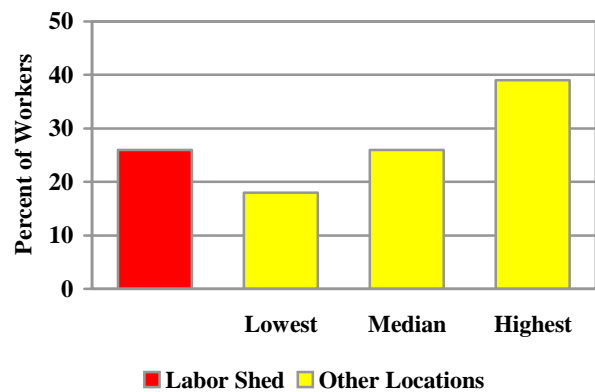
**WAREHOUSE / DISTRIBUTION /
TRANSPORTATION**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



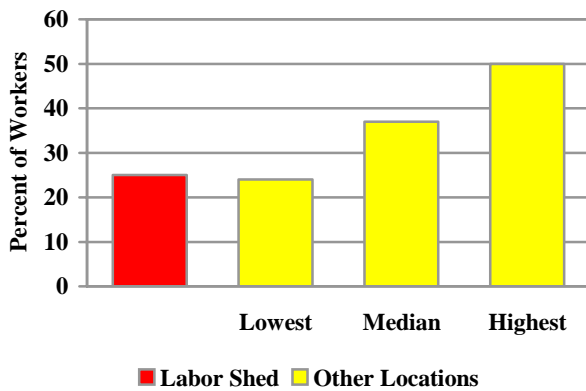
**MEDICAL /
HEALTH SCIENCES**



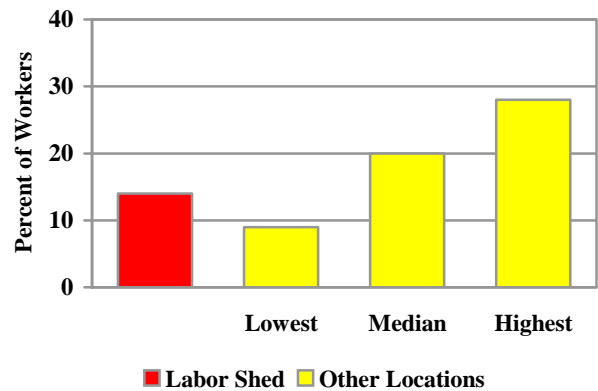
**COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS**

**The Northwest Tennessee/Southwest Kentucky Area /
Locations Surveyed Over the Past 18 Months**

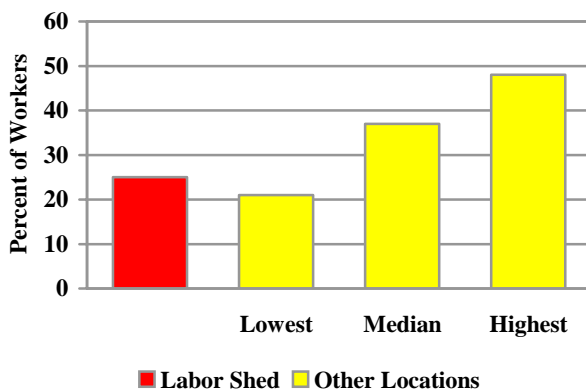
**MAINTENANCE /
INSTALLATION / REPAIR**



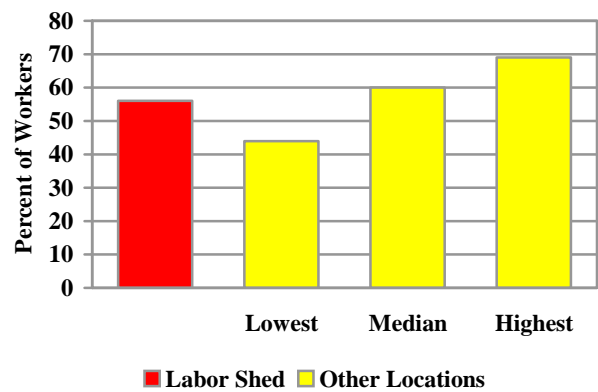
CALL CENTER



**INFORMATION TECHNOLOGY /
TELECOMMUNICATIONS**

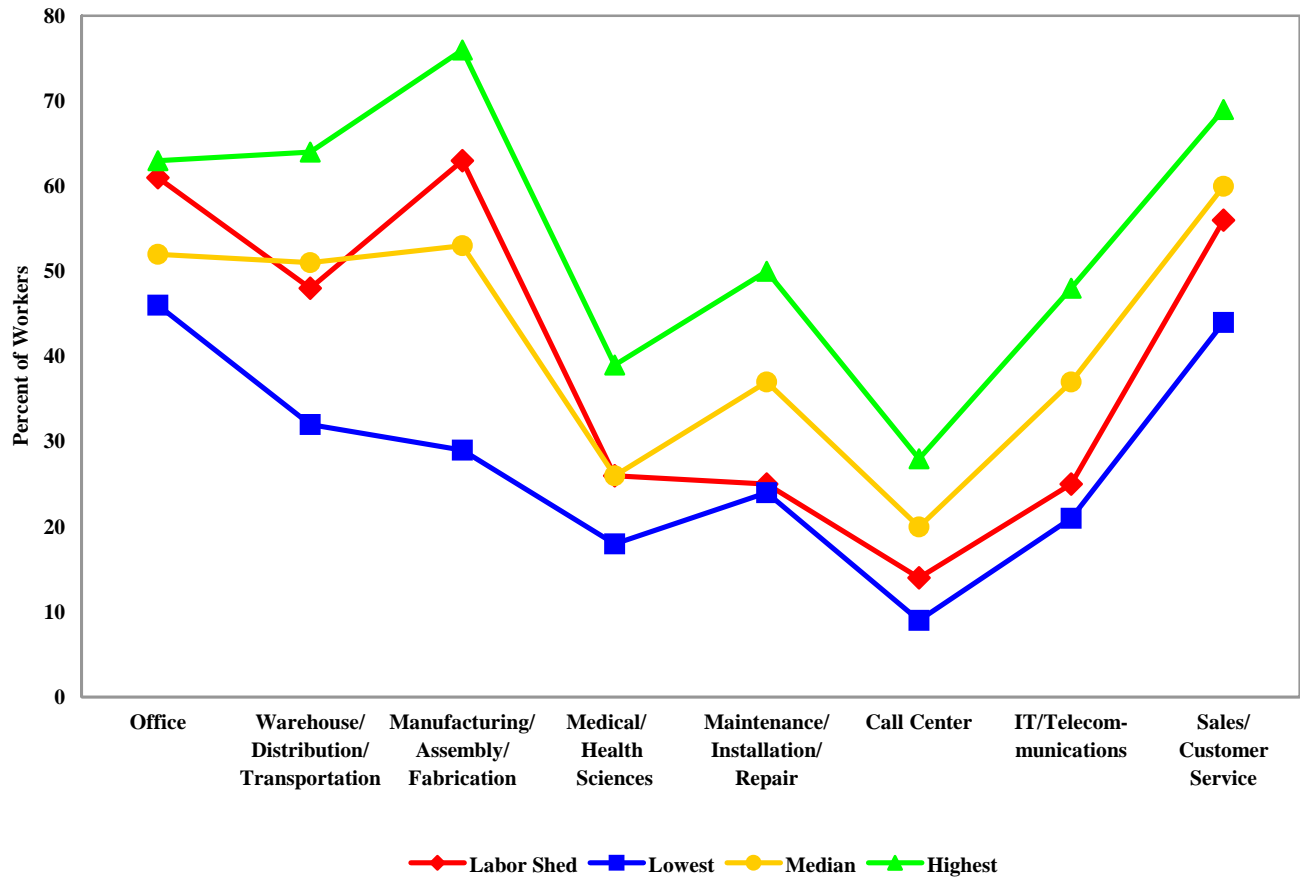


**SALES /
CUSTOMER SERVICE**



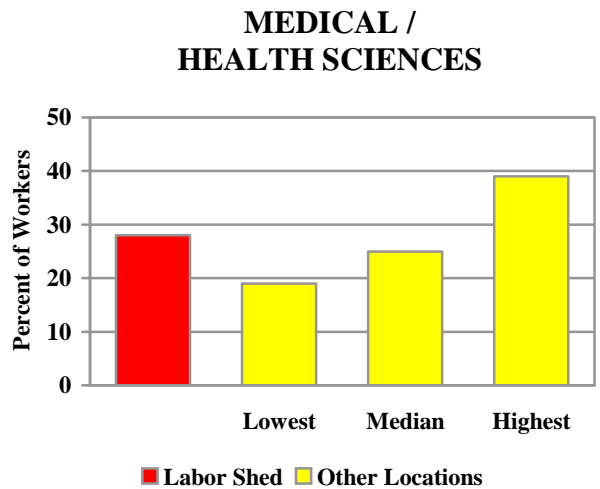
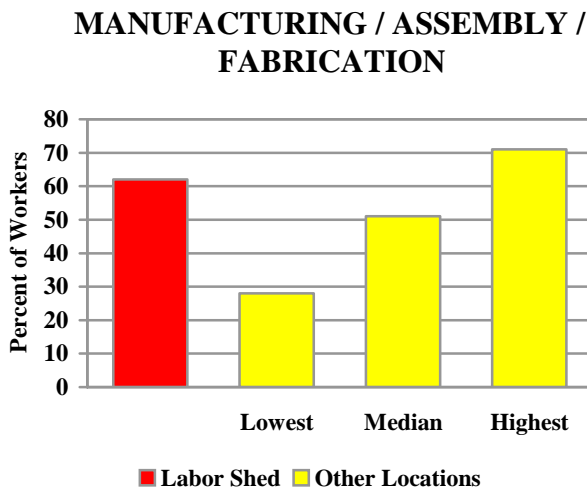
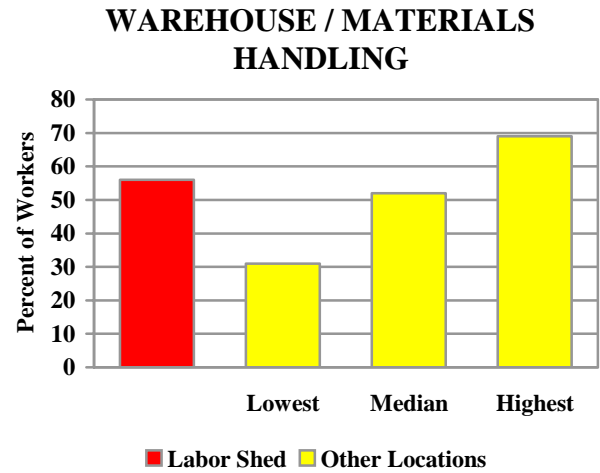
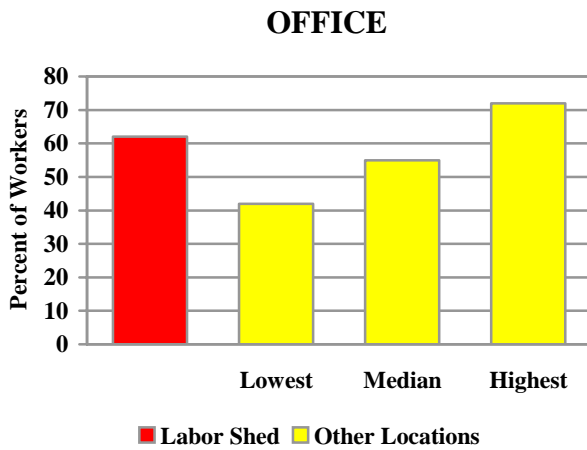
**SUMMARY COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS**

**The Northwest Tennessee/Southwest Kentucky Area /
Locations Surveyed Over the Past 18 Months**



COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

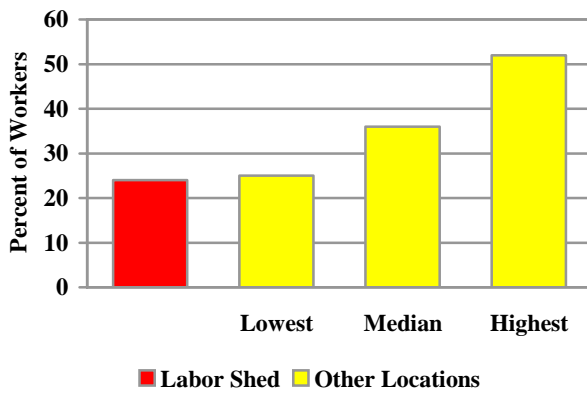
**The Northwest Tennessee/Southwest Kentucky Area /
Locations Surveyed Over the Past 18 Months**



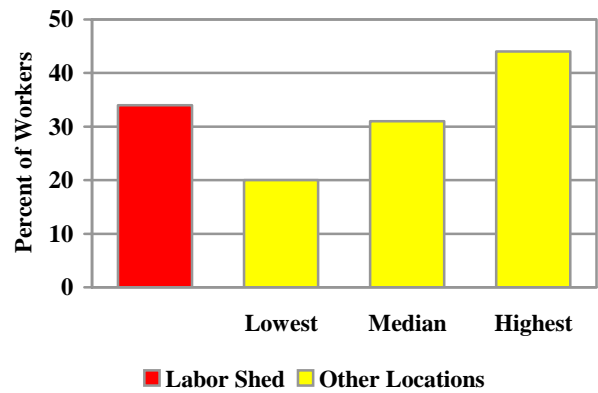
COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

**The Northwest Tennessee/Southwest Kentucky Area /
Locations Surveyed Over the Past 18 Months**

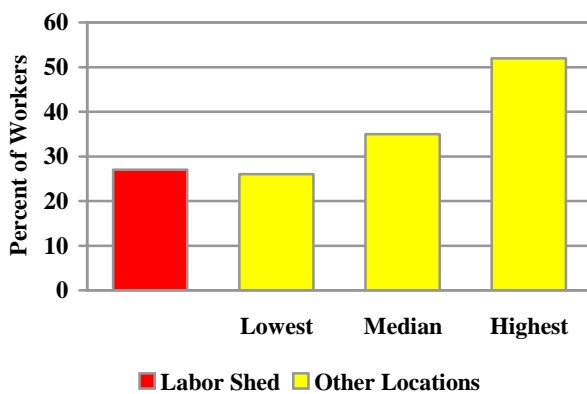
**MAINTENANCE /
INSTALLATION / REPAIR**



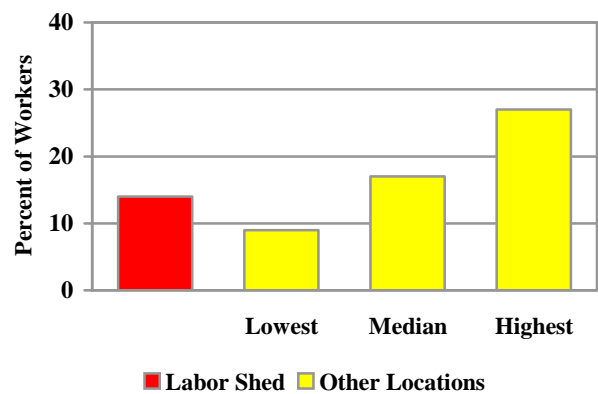
**TECHNICIAN / QUALITY
ASSURANCE**



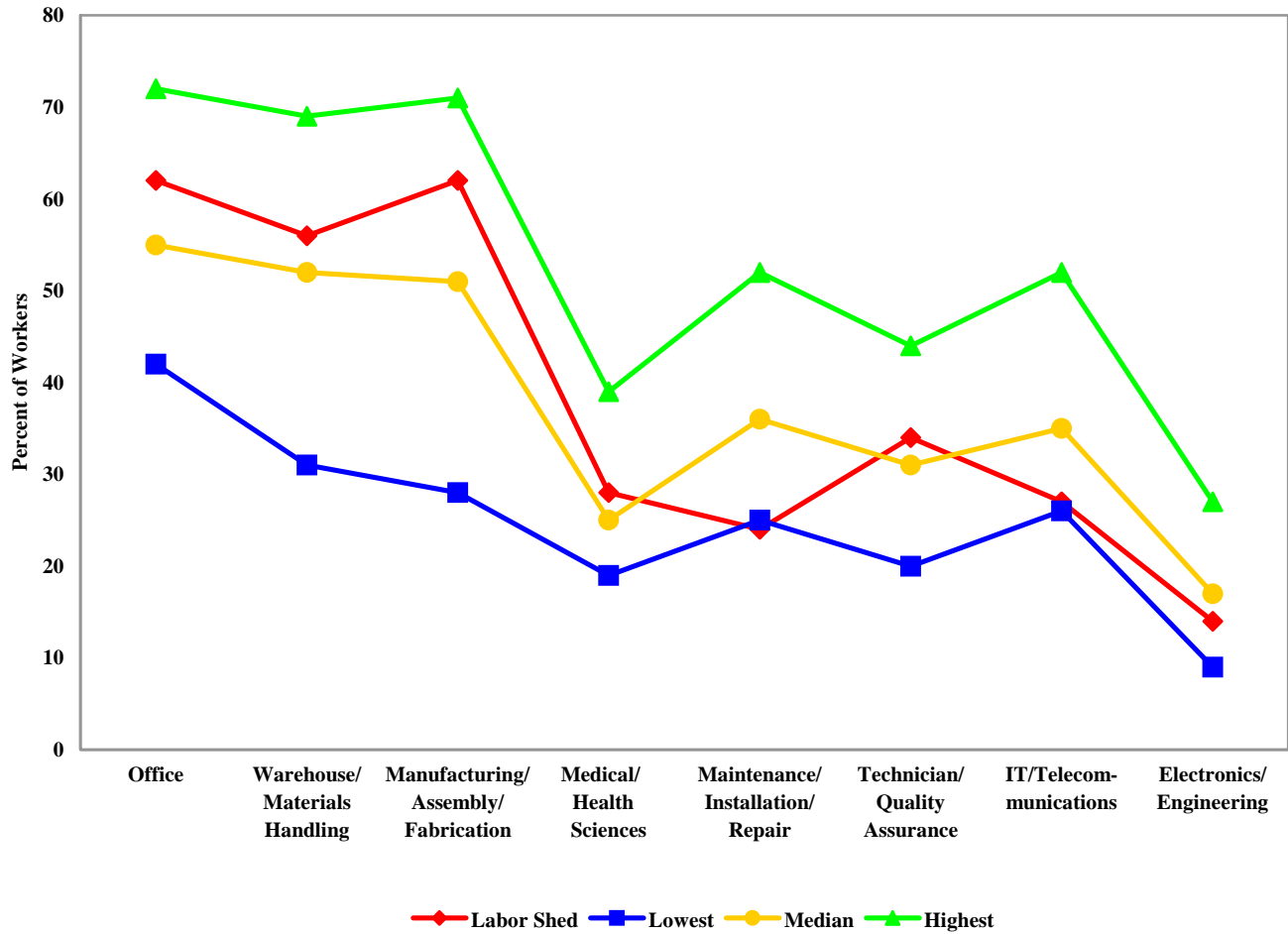
**INFORMATION TECHNOLOGY /
TELECOMMUNICATIONS**



ELECTRONICS / ENGINEERING



**SUMMARY COMPARISON OF SKILLS
UNDEREMPLOYED WORKERS**
**The Northwest Tennessee/Southwest Kentucky Area /
Locations Surveyed Over the Past 18 Months**



CLOSING REMARKS

The foregoing report represents an assessment of the underemployment that exists in the Northwest Tennessee/Southwest Kentucky region. It includes a set of important interlocking measurements of the number of underemployed workers, their cost, skills, experience, education, reliability, productivity, and other related factors. The information allows the economic development professional and the site-selection team to view the area in comparison to other locations.

Attention should be given to the “Employers’ Views of the Northwest Tennessee/Southwest Kentucky Area Total Workforce” section of this report in which local employers’ views of the characteristics of local workers are compared with employers’ views in other locations where the identical questions have been asked in identical fashion.

Similarly, attention should be given to the final section of this report, “National Comparative Observations”, which compares, employing an identical methodology, the costs, experience, and skills of local underemployed workers with those underemployed workers in locations surveyed by The Pathfinders over the past eighteen months.

While the number of underemployed workers in the Northwest Tennessee/Southwest Kentucky region, including their cost, skills, and experience, is the focus of this report, the data should be interpreted in a comparative perspective just as the corporate site selector will in deciding among competing locations.

For Informational Purposes:

The Northwest Tennessee/Southwest Kentucky Area Civilian Workforce.....	122,300
Largest Workforce Surveyed by The Pathfinders	3,452,000
Median Workforce Surveyed by The Pathfinders	138,400
Smallest Workforce Surveyed by The Pathfinders.....	3,350
Number of Locations Surveyed by The Pathfinders.....	298



INTEREST IN TRAINING COURSES
THE NORTHWEST TENNESSEE/SOUTHWEST KENTUCKY AREA
25,500 TOTAL AVAILABLE WORKERS

A component was added to this survey which was designed to determine possible interest in training courses on the part of the 25,500 available workers in the Northwest Tennessee/Southwest Kentucky workforce. The primary purpose of including this component was to produce data which would provide guidance in the establishment of training programs which will more precisely meet the needs of the public and the business community in the Northwest Tennessee/Southwest Kentucky area.

The extent to which interest is strong and those individuals might actually enroll in a training program is not known. That would obviously be influenced by scheduling, costs, length of the course and other factors. Perhaps the most dominant of those factors is the extent to which those individuals are aware of the course offering, its scheduling, cost and how and where to enroll.

However, this survey presents the relative interest in training courses of those workers in the Northwest Tennessee/Southwest Kentucky area who are available candidates for employment with a new or expanding business. The available workforce is comprised of three groups – the underemployed, the unemployed who are actively seeking work, and the unemployed who might consider re-entering the workforce.

In the tables that follow, it should be noted that many of the respondents indicated interest in more than one program, therefore, the percent total will not equal 100.



INTEREST IN TRAINING COURSES
THE NORTHWEST TENNESSEE/SOUTHWEST KENTUCKY AREA
25,500 TOTAL AVAILABLE WORKERS

Type of Training Course	Percentage
Computer Software Applications	48%
Computer Programming	47%
Human Resources	42%
Health Care	36%
Industrial Machine Operations	29%
Real Estate or Insurance	28%
Food Service or Hospitality	28%
Computer Maintenance or Repair	27%
Technical Trades	25%
Construction Trades	22%
Restaurant or Retail Management	22%
Cosmetology or Fashion Design	19%
Auto or Maintenance Mechanics	12%
GED or Basic Reading, Writing, Arithmetic	12%
ESL (English as a Second Language)	8%



EMPLOYER OPINIONS ON SKILLS / TRAINING

THE NORTHWEST TENNESSEE/SOUTHWEST KENTUCKY AREA

Employers in the Northwest Tennessee/Southwest Kentucky region were asked to give their opinions concerning any general or basic skills they felt were lacking in the workforce. 59% of the employers surveyed responded to this question. Of these employers, 60% rated work ethics, including initiative and motivation, as being, in their opinions, most needed by the area workforce. Other skills cited as being lacking were math (35%), communications (25%), computer (10%) and mechanical (10%).

Additionally, employers were asked which jobs were the most difficult to fill and which were the easiest to fill. In the Northwest Tennessee/Southwest Kentucky area, the easiest job openings to fill appear to be in the category of general labor. The hardest appear to be in the technical and skilled areas, including welding and tool and die makers. Other job openings cited as being difficult to fill include management and drivers.

Further, employers were asked about training programs that could be offered by local educational providers that would be beneficial to their operations. Many of the employers surveyed responded that training programs in basic skills (math, reading and writing) and basic computer skills would be helpful as well as courses designed to encourage good work habits and teamwork. Also mentioned were programs relating to blueprint reading, problem solving, and electronics and any courses that help prepare potential workers for industrial/mechanical/technical work.





THE PATHFINDERS

**P.O. Box 702317
Dallas, Texas 75370**

Telephone: 972-418-7588

Fax: 972-418-1588

E-Mail: info@thepathfindersus.com

Web site: www.thepathfindersus.com