

**THE
AMARILLO, TEXAS
AREA
LABOR AVAILABILITY REPORT**

January, 2010

Compiled and Prepared by



THE PATHFINDERS

www.thepathfindersus.com

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INTRODUCTION

The Pathfinders has employed its many years of experience in workforce assessments for corporate site-selection clients and civilian workforce assessments for the Department of Defense in locations that faced military base closures to produce this evaluation of the Amarillo, Texas area workforce. In site-selection projects, the question that most often drives the search is whether the candidate location has the workforce needed for a new or expanding operation; consequently, an analysis of an area's workforce became a key component of site searches conducted by The Pathfinders. Senior human resources executives from among corporate clients assisted in refining the methodology and report format.

While unemployed workers are a source considered in hiring, companies typically also staff a new operation with individuals who are working but who desire better jobs and who appear to possess the skills, education, and experience to qualify them for those better jobs. **By that definition**, those individuals can be considered "underemployed" and are identified as such in this report.

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

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



KEY FINDINGS

- The Amarillo area, referred to in this report as the “labor shed”, has a household population of approximately 225,400; a civilian labor force of approximately 117,100; and a pool of approximately 6,800 unemployed persons who are actively seeking work.
- The results of this survey indicate that a new or expanding employer will be able to attract employees from an additional pool of about 14,100 underemployed workers.
- The desired pay rates of the underemployed workers are reasonable when compared to their existing pay rates. The median current pay rate of the underemployed workers is \$17.07 per hour, and their median desired pay rate is \$18.21 per hour.
- The median desired pay rate of the unemployed workers who are actively seeking work is \$13.27 per hour.
- Survey results indicate 1% of the underemployed and 8% of unemployed, actively seeking work individuals have less than a high school degree.
- In addition to the underemployed and those unemployed individuals who are actively seeking work, survey results indicate approximately 800 unemployed individuals in the labor shed who are not actively seeking work but would consider re-entering the workforce.
- In total, the Amarillo area has approximately 21,700 available workers for new or expanding businesses.



METHODOLOGY

The first step in assessing the workforce of the Amarillo 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 Amarillo 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 Potter and Randall Counties in Texas.

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

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

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



NUMBER OF AVAILABLE WORKERS

The Amarillo Area Labor Shed

The Amarillo area labor shed has a household population of approximately 225,400. The civilian labor force numbers approximately 117,100, and the labor shed contains approximately 6,800 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. Another 800 individuals would consider re-entering the workforce. Together with the unemployed, actively seeking work individuals, the Amarillo area has approximately 21,700 available workers for new or existing employers.

TOTAL AVAILABLE WORKERS

Number of underemployed workers	14,100
Number of unemployed, actively seeking work individuals	6,800
Number of unemployed individuals who are considering re-entering the workforce	800
Total Number of Workers Available for Employers*	21,700

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



ASSESSMENT OF THE UNDEREMPLOYED WORKFORCE

The Amarillo Area Labor Shed

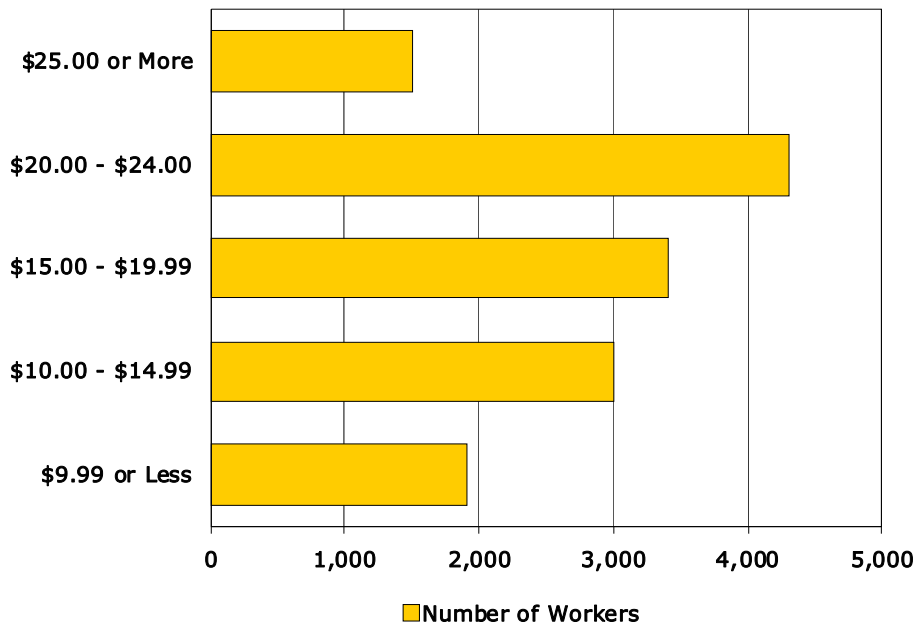
The 14,100 underemployed workers identified in this report might also be termed “upgraders”. They desire to move into an upgraded job and appear to possess the skills, education, and experience to enable them to do so. The following charts represent the desired pay rates of the underemployed individuals in the labor shed. Desired wages are shown by specific rates, range and percentiles.

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

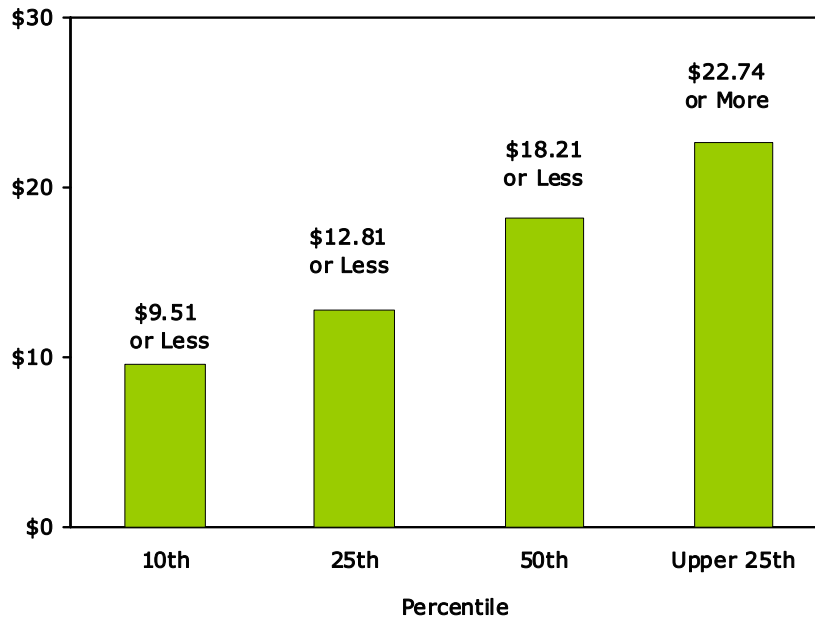
Desired Pay Rate	Number Available
\$9.99 or Less	1,900
\$10.00 - \$11.99	900
\$12.00 - \$13.99	1,400
\$14.00 - \$15.99	2,100
\$16.00 - \$17.99	500
\$18.00 - \$19.99	1,500
\$20.00 - \$21.99	1,400
\$22.00 - \$23.99	1,500
\$24.00 - \$25.99	1,700
\$26.00 - \$27.99	200
\$28.00 - \$29.99	500
\$30.00 or More	500



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



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

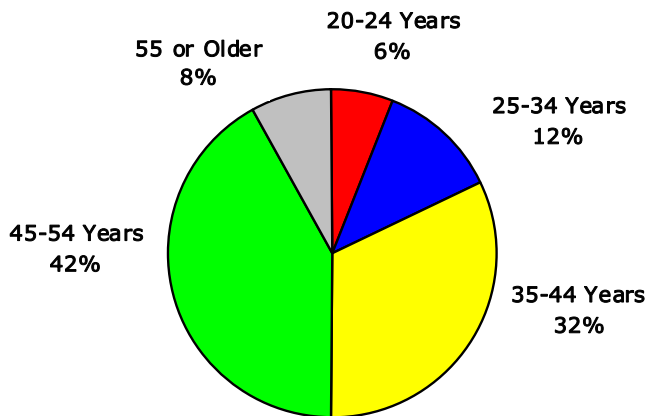


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

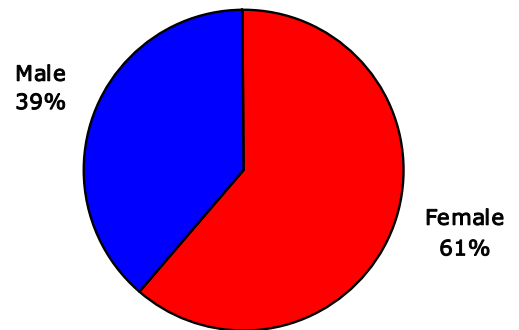
The Amarillo Area Labor Shed 14,100 Underemployed Workers

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

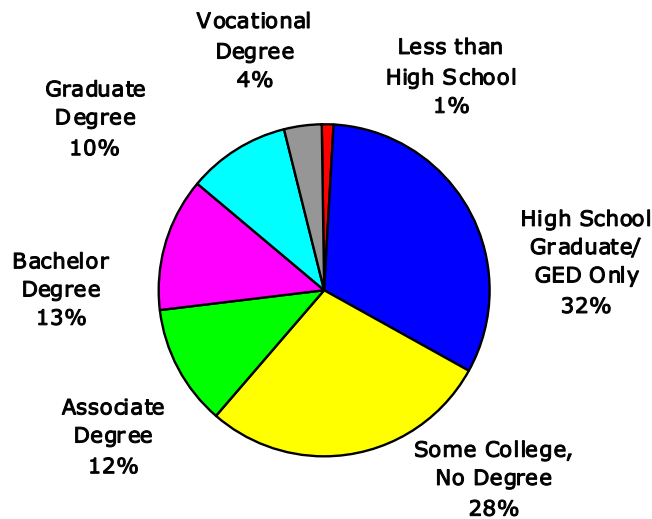
AGE - Average 43 Years



GENDER

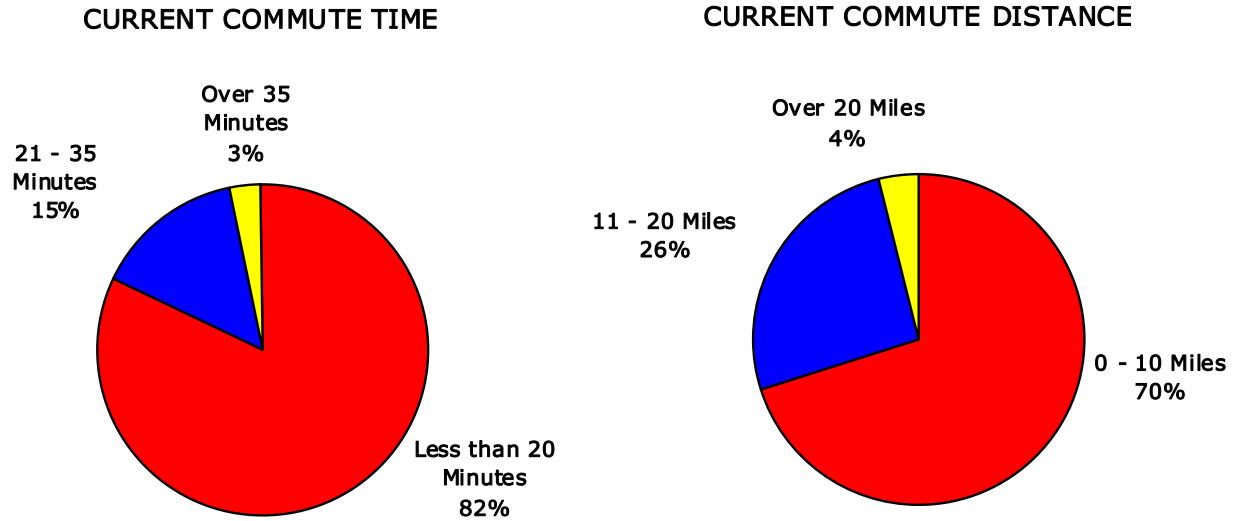


EDUCATION

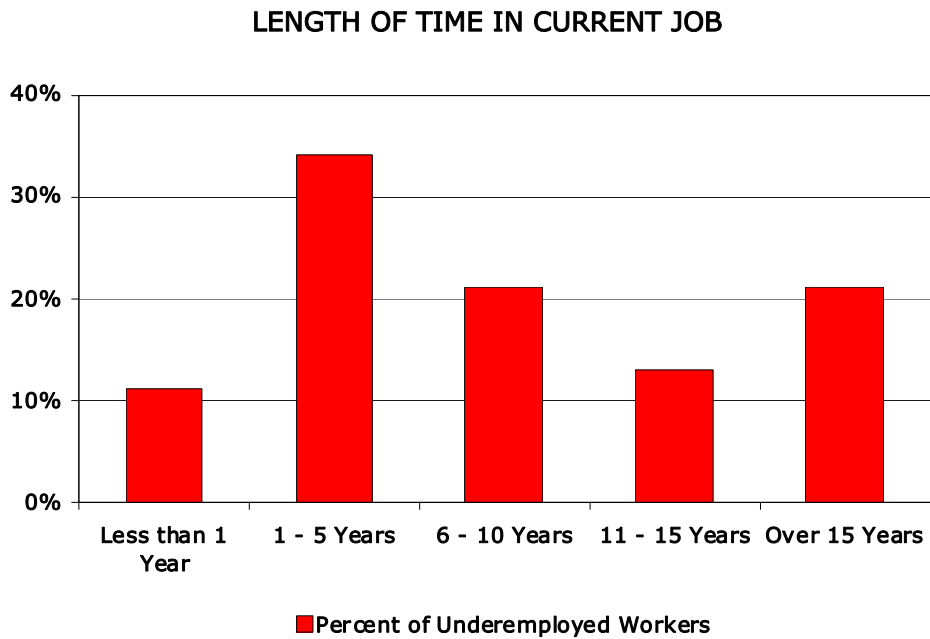


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

14,100 Underemployed Workers



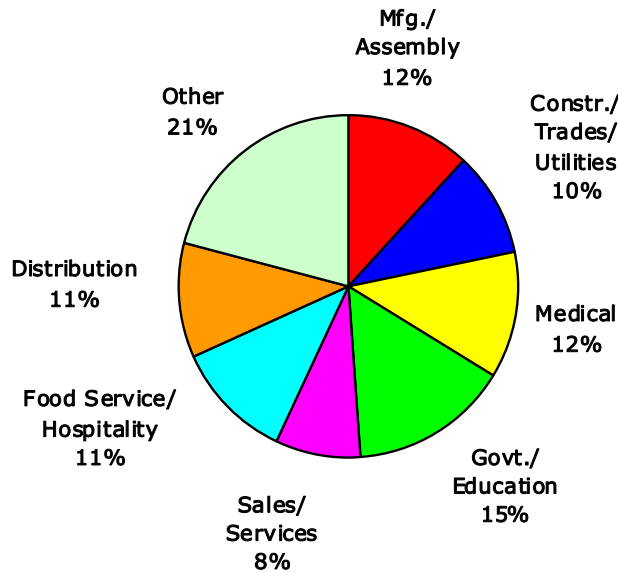
The average commute time of the underemployed workers in the labor shed is 14 minutes, and the average current commute distance is 9 miles.



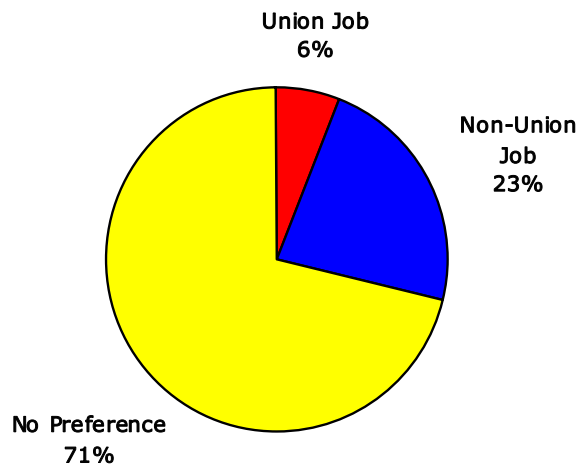
CHARACTERISTICS OF UNDEREMPLOYED WORKERS

6,800 Underemployed Workers

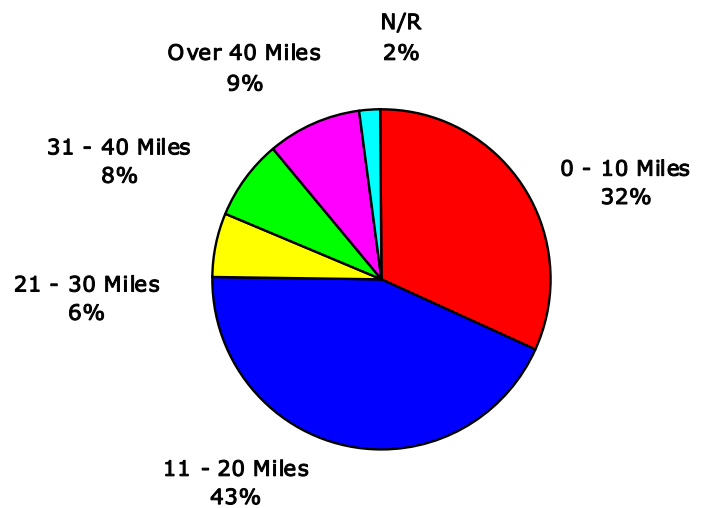
CURRENT AREA OF EMPLOYMENT



UNION PREFERENCE



MILES WILLING TO COMMUTE



EXPERIENCE AND SKILLS – UNDEREMPLOYED WORKERS
14,100 Underemployed Workers

Experience Category	Number of Workers (Rounded)	Percentage of Total	Average Years of Experience
Customer Service	10,400	74%	9
Office Operations	9,400	67%	9
Warehouse/Distribution/Transportation	6,100	43%	10
Manufacturing/Assembly/Fabrication	5,200	37%	10
Maintenance/Installation/Repair	4,500	32%	9
Information Technology	4,100	29%	8
Call Center	3,800	27%	4
Medical/Health Sciences	3,200	23%	11

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

Skills	Number of Workers (Rounded)	Percentage of Total
Office Operations	10,000	71%
Warehouse/Materials Handling	7,100	50%
Manufacturing/Assembly/Fabrication	5,600	40%
Information Technology	4,700	33%
Maintenance/Installation/Repair	4,500	32%
Technician/Quality Assurance	4,400	31%
Medical/Health Sciences	3,700	26%
Electronics/Engineering	2,300	16%



FACTORS AFFECTING JOB DESIRABILITY / CURRENT BENEFITS

14,100 Underemployed Workers

In an effort to identify those factors most important to the Amarillo area’s underemployed workers relative to consideration of an employer’s desirability and a potential job change, the respondents were asked to rate the following job factors on a scale of 1 to 5. The table below presents the ratings for each factor.

Factor	5 Extremely Important	4 Very Important	3 Important	2 Somewhat Important	1 Not Important
Retirement Benefits	63%	19%	11%	2%	5%
Paid Training Programs	61%	16%	15%	6%	2%
Insurance Benefits	59%	18%	16%	1%	6%
Flexible Working Schedule	55%	23%	13%	3%	6%
Salary	54%	23%	17%	4%	2%
Opportunity for Advancement	49%	18%	17%	5%	11%
Location	46%	15%	16%	9%	14%
Physical Working Environment	46%	22%	17%	11%	4%

As a complement to the above, the underemployed workers were surveyed as to what benefits they receive in their current jobs.

Current Job Benefits	Percentage of Total
Paid Time Off (including vacation, holidays, personal days, etc.)	81%
Paid Insurance	78%
Financial Plans	62%
None	17%



ASSESSMENT OF THE UNEMPLOYED WORKFORCE

The Amarillo Area Labor Shed

This report documents two groups of unemployed individuals in the Amarillo area 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 6,800 unemployed workers in the labor shed who are actively seeking work. This number could possibly be higher due to individuals looking for work who are not on the roles of the state unemployment agencies. Survey results suggest that an additional 800 people, who are not currently employed or actively seeking work, would consider re-entering the workforce.

In total, the labor shed has approximately 7,600 unemployed individuals who would be considered potential workers for a new or expanding operation.

UNEMPLOYED INDIVIDUALS

Number of unemployed, actively seeking work individuals	6,800
Number of unemployed individuals who would considering re-entering the workforce	800

Total Number of Unemployed Individuals Available for Employers	7,600

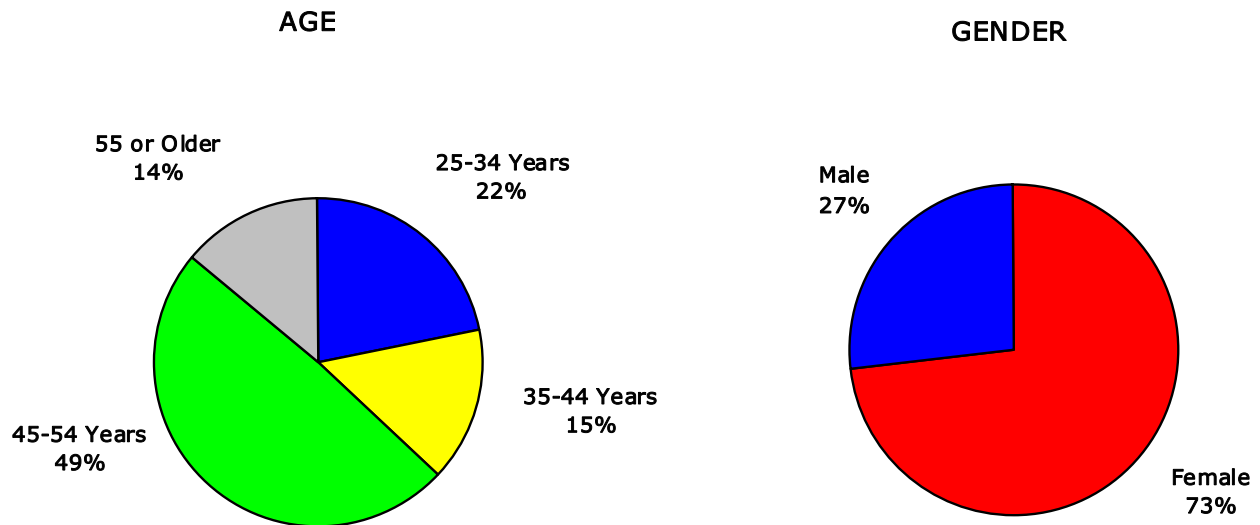
The determinations for these two segments of the workforce have a larger statistical variance than that for the underemployed.



**ASSESSMENT OF INDIVIDUALS WHO
WOULD CONSIDER RE-ENTERING THE WORKFORCE**

**The Amarillo Area Labor Shed
800 Potential Workers**

The following charts provide information on that segment of unemployed individuals in the labor shed who would consider re-entering the workforce. As these data relate solely to those individuals in the labor shed who are unemployed, they will vary from data representative of the population and civilian labor force as a whole. In the Amarillo labor shed, there are approximately 800 individuals who are currently unemployed, not actively seeking work, but would consider re-entering the workforce. They are predominately female and their average age is 45 years.

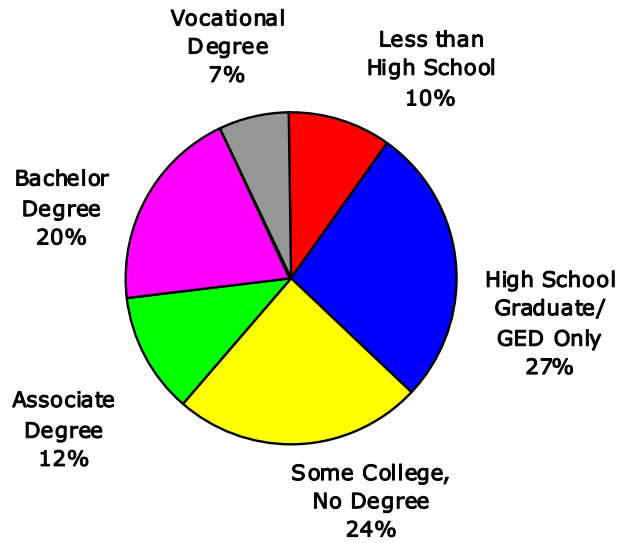


The median desired pay rate of the unemployed individuals in the labor shed who would consider re-entering the workforce is \$14.57 per hour.

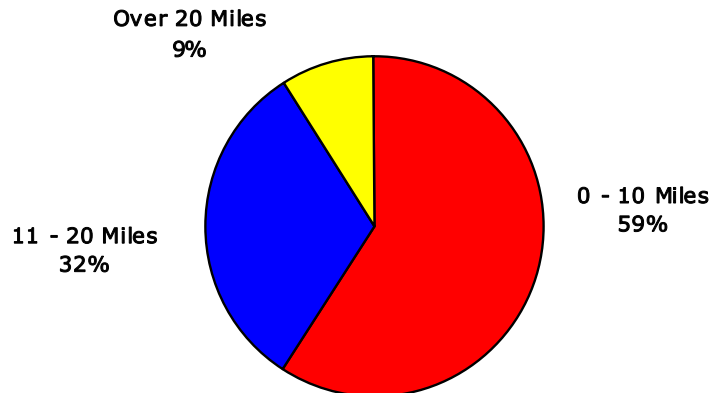
**CHARACTERISTICS OF INDIVIDUALS WHO
WOULD CONSIDER RE-ENTERING THE WORKFORCE**

800 Potential Workers

EDUCATION



MILES WILLING TO COMMUTE – Average 12 Miles



**CHARACTERISTICS OF INDIVIDUALS WHO
WOULD CONSIDER RE-ENTERING THE WORKFORCE
800 Potential Workers**

Experience Category	Number of Individuals (Rounded)	Percentage of Total	Average Years of Experience
Customer Service	500	59%	10
Office Operations	400	49%	9
Warehouse/Distribution/Transportation	200	29%	6
Medical/Health Sciences	200	29%	10
Manufacturing/Assembly/Fabrication	200	27%	8
Information Technology	200	24%	7
Maintenance/Installation/Repair	200	20%	5
Call Center	100	12%	10

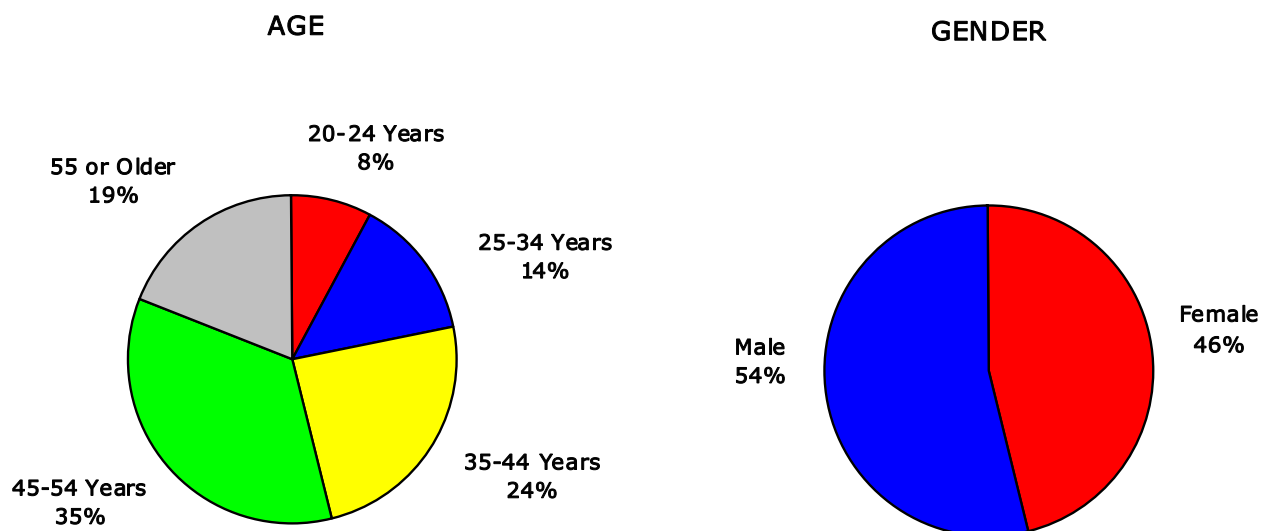
The similarities between the experience and skills categories are designed to ensure inclusiveness considering the multitude of tasks and job titles present in most business, government and institutional operations. It should be noted that individuals polled normally have experience and/or skills in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

Skills	Number of Individuals (Rounded)	Percentage of Total
Office Operations	300	42%
Medical/Health Sciences	300	32%
Manufacturing/Assembly/Fabrication	200	27%
Maintenance/Installation/Repair	200	24%
Warehouse/Materials Handling	200	22%
Information Technology	200	22%
Technician/Quality Assurance	100	17%
Electronics/Engineering	100	12%



**CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS WHO ARE
ACTIVELY SEEKING WORK
 6,800 Workers**

According to survey results, the following charts provide information on those unemployed workers in the labor shed who are actively seeking work. **As these data relate solely to those individuals in the labor shed who are unemployed, they will vary from data representative of the population and civilian labor force as a whole.** In the Amarillo labor shed, according to published sources, there are approximately 6,800 individuals who are actively seeking work. These individuals are relatively equal in gender, and their average age is 44 years.

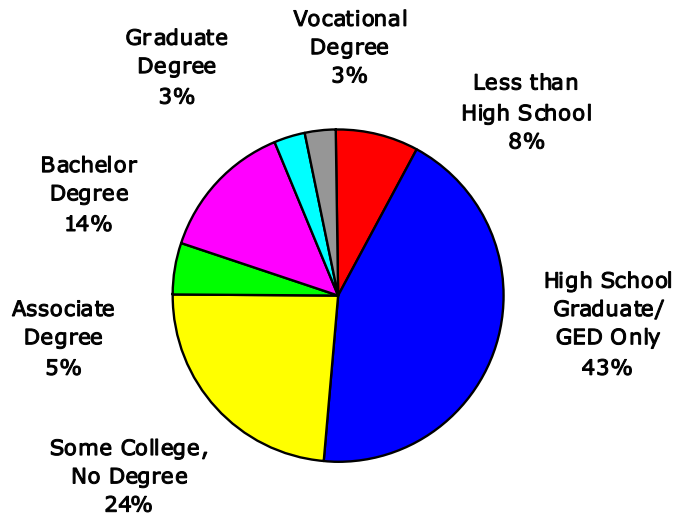


The median desired pay rate of the unemployed workers in the labor shed who are actively seeking work is \$13.27 per hour.

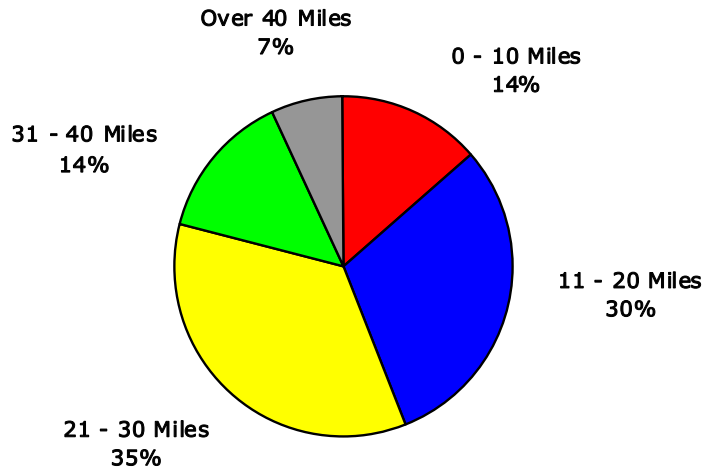
CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS WHO ARE ACTIVELY SEEKING WORK

6,800 Workers

EDUCATION



MILES WILLING TO COMMUTE – Average 24 Miles



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

6,800 Workers

Experience Category	Number of Individuals (Rounded)	Percentage of Total	Average Years of Experience
Customer Service	4,400	65%	14
Office Operations	3,700	54%	12
Warehouse/Distribution/Transportation	2,800	41%	3
Manufacturing/Assembly/Fabrication	2,600	38%	4
Maintenance/Installation/Repair	2,000	30%	3
Information Technology	1,800	27%	8
Call Center	1,800	27%	6
Medical/Health Sciences	1,300	19%	8

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

Skills	Number of Individuals (Rounded)	Percentage of Total
Warehouse/Materials Handling	3,700	54%
Office Operations	3,500	51%
Manufacturing/Assembly/Fabrication	1,800	27%
Information Technology	1,800	27%
Maintenance/Installation/Repair	1,600	24%
Technician/Quality Assurance	1,600	24%
Medical/Health Sciences	1,100	16%
Electronics/Engineering	1,100	16%

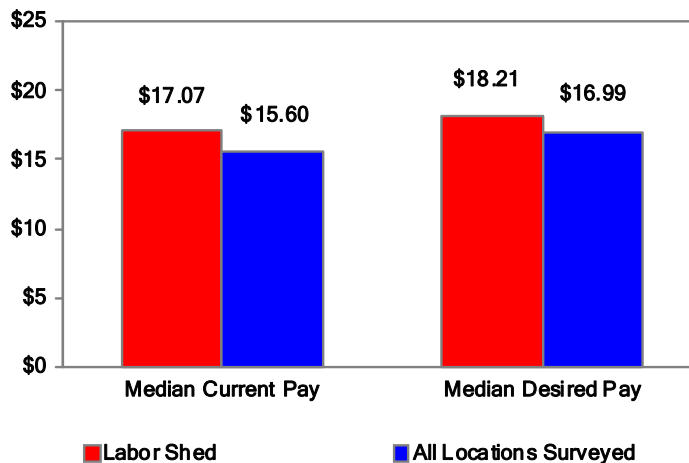


NATIONAL COMPARISONS OF UNDEREMPLOYED WORKFORCE

This section of the report provides comparisons of the pay rates, experience and skills of the labor shed’s underemployed workforce with the underemployed workforces in other areas previously surveyed by The Pathfinders. A prospect company considering the Amarillo region as a location will judge its workforce on a comparative basis. The comparative data for other locations used in the following charts reflect information accumulated over the past eighteen months. The Pathfinders maintains a continuing database of over 700 surveyed counties and communities and more than 30 million workers. In the charts, the Amarillo region is referred to as “labor shed”.

The chart below illustrates the median current and desired wages of the underemployed workers in the Amarillo labor shed as compared to those underemployed workers in all locations surveyed by The Pathfinders over the past eighteen months. As indicated, the median current pay of all surveyed, underemployed workers over the past eighteen months is \$15.60 per hour, and the median desired pay of these workers is \$16.99 per hour. As shown, survey results indicate that the Amarillo region’s underemployed workers have slightly higher pay rates in both median current pay and desired pay than other locations surveyed.

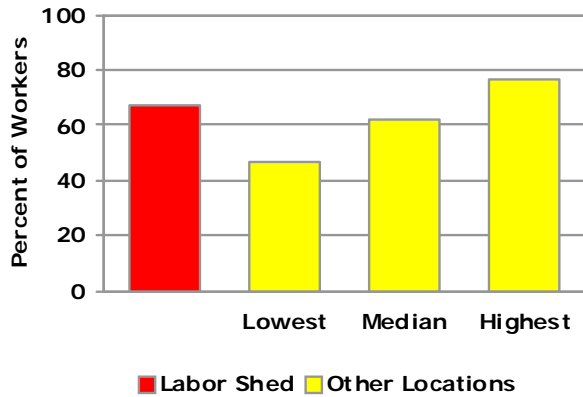
COMPARISON OF MEDIAN CURRENT / DESIRED WAGES (per hour)



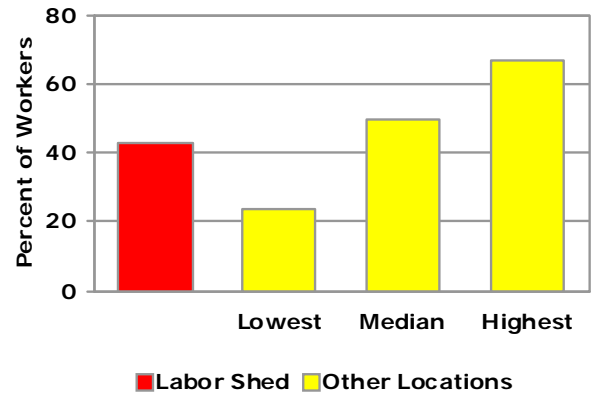
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

The Amarillo Area /
Locations Surveyed Over the Past 18 Months

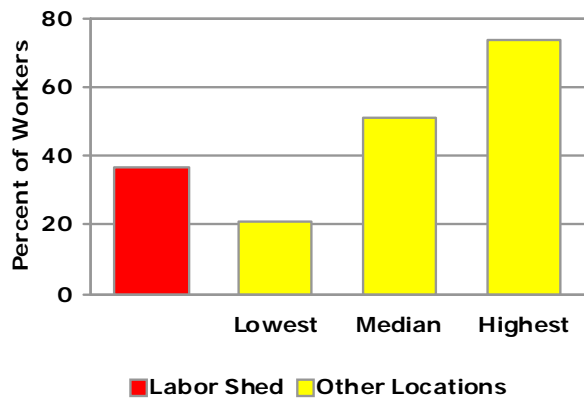
OFFICE



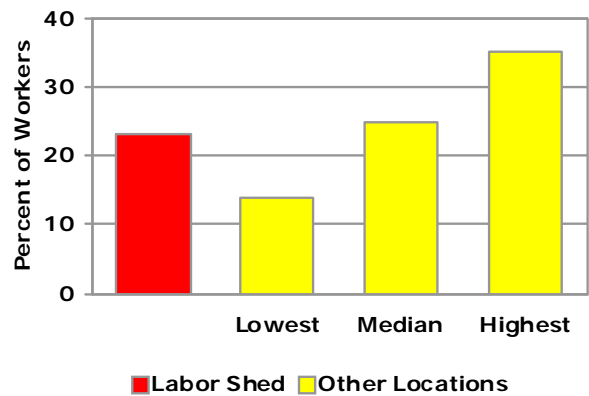
**WAREHOUSE / DISTRIBUTION /
TRANSPORTATION**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



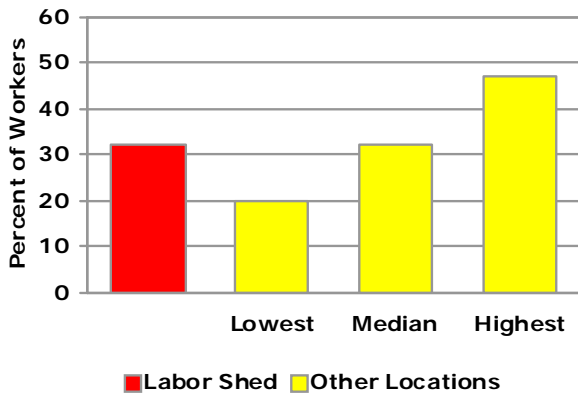
**MEDICAL /
HEALTH SCIENCES**



**COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS**

**The Amarillo Area /
Locations Surveyed Over the Past 18 Months**

**MAINTENANCE /
INSTALLATION / REPAIR**



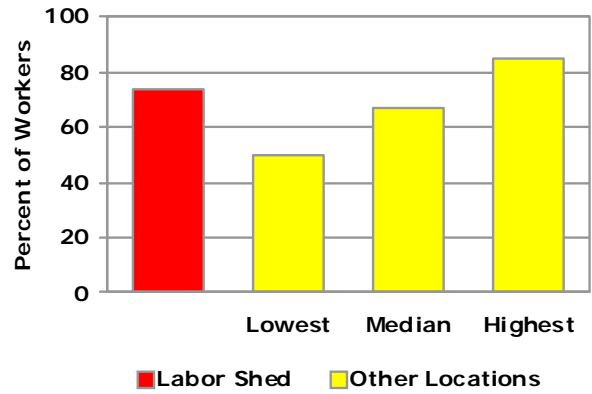
CALL CENTER



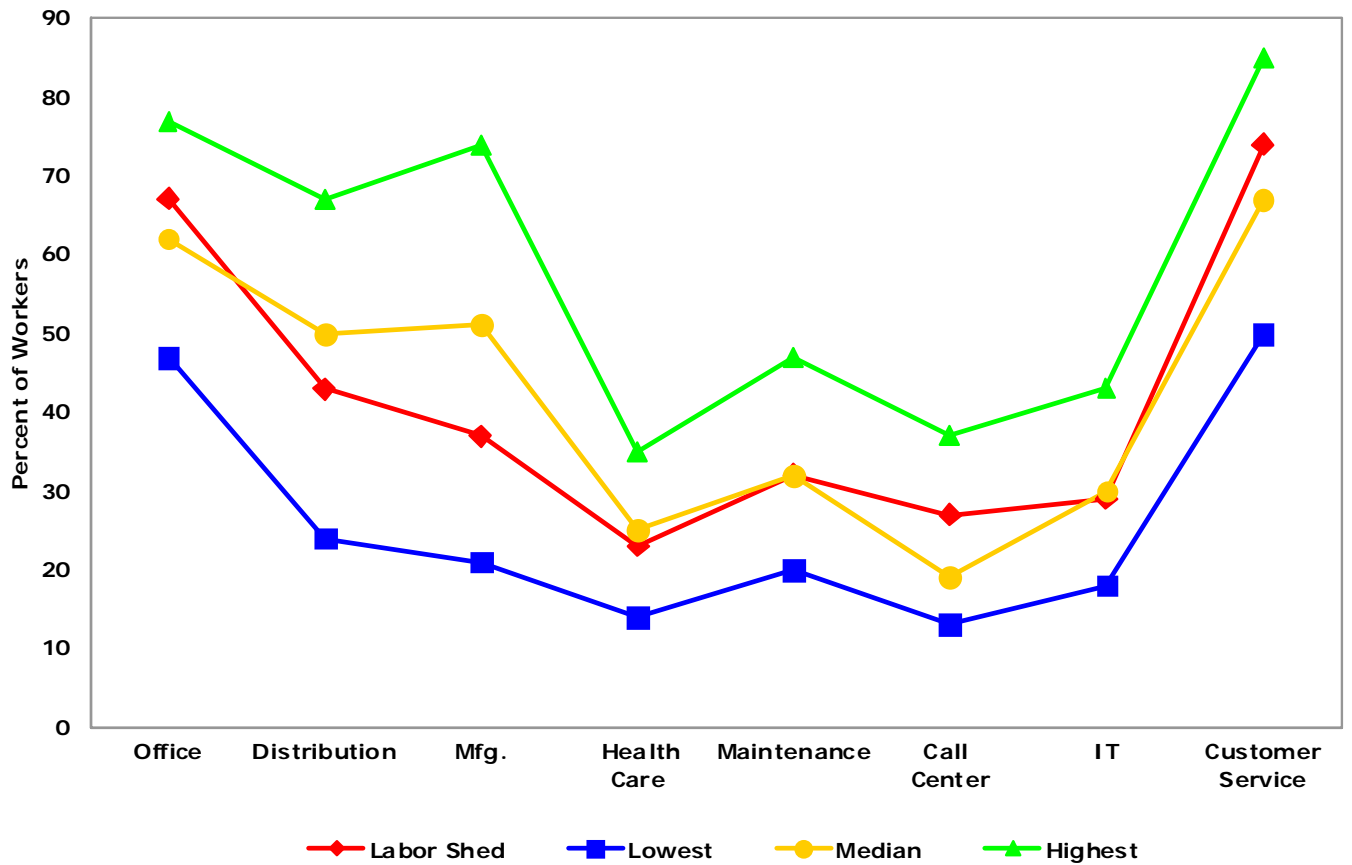
INFORMATION TECHNOLOGY



CUSTOMER SERVICE

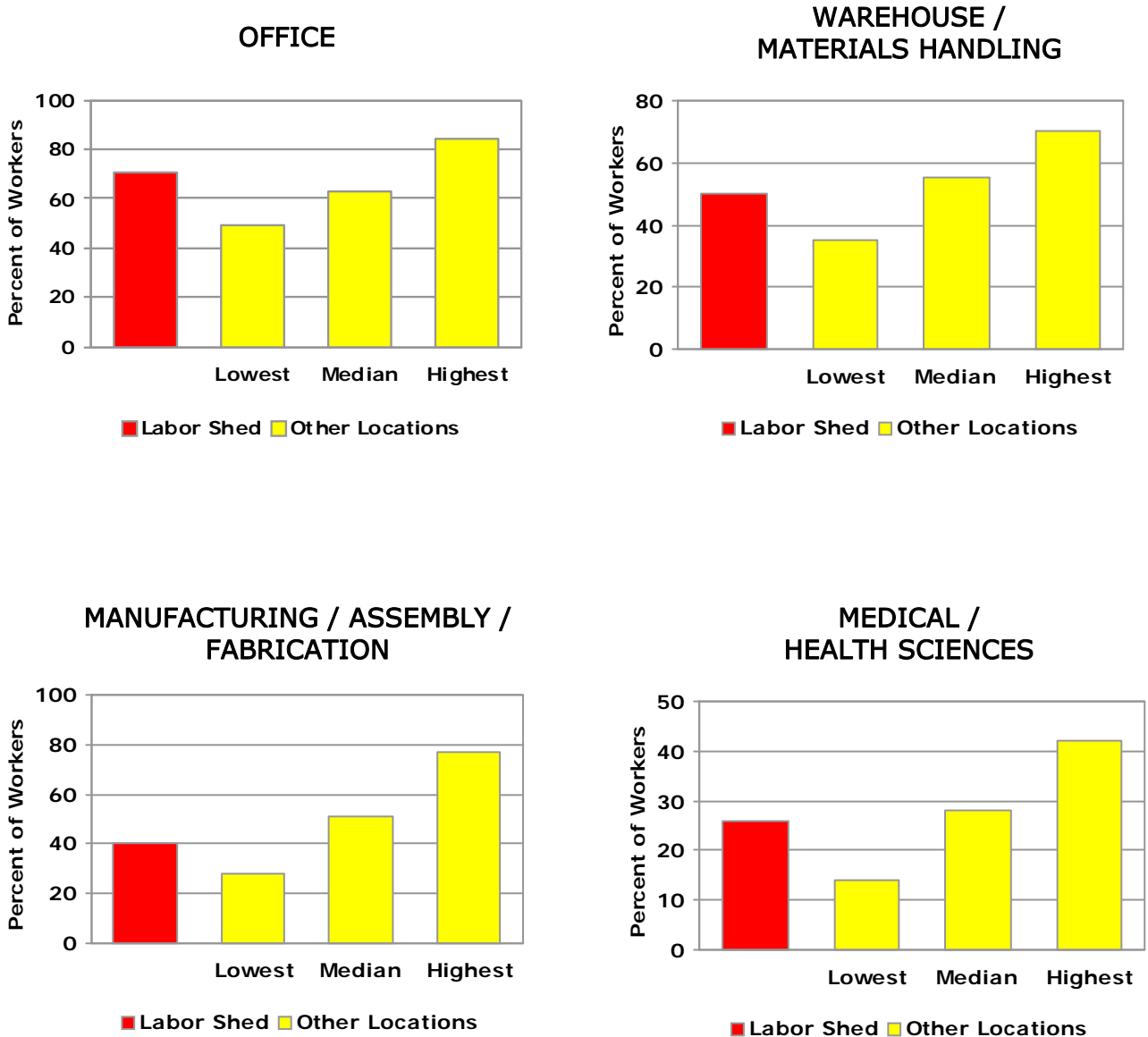


SUMMARY COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS
The Amarillo Area /
Locations Surveyed Over the Past 18 Months



COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

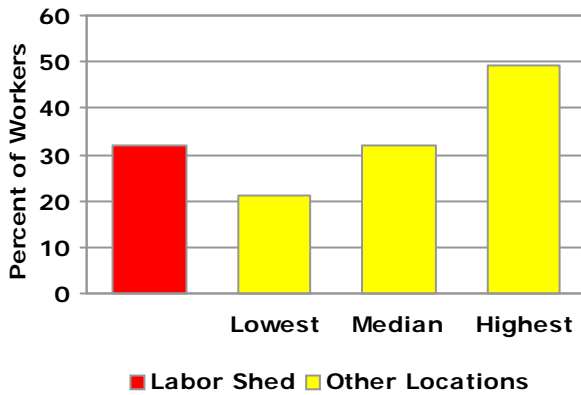
The Amarillo Area /
Locations Surveyed Over the Past 18 Months



COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

The Amarillo Area /
Locations Surveyed Over the Past 18 Months

**MAINTENANCE /
INSTALLATION / REPAIR**



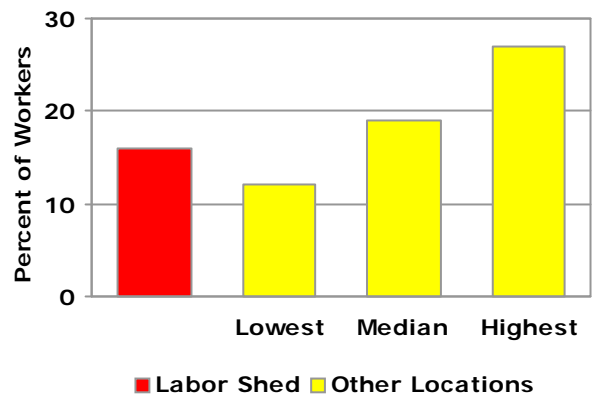
**TECHNICIAN / QUALITY
ASSURANCE**



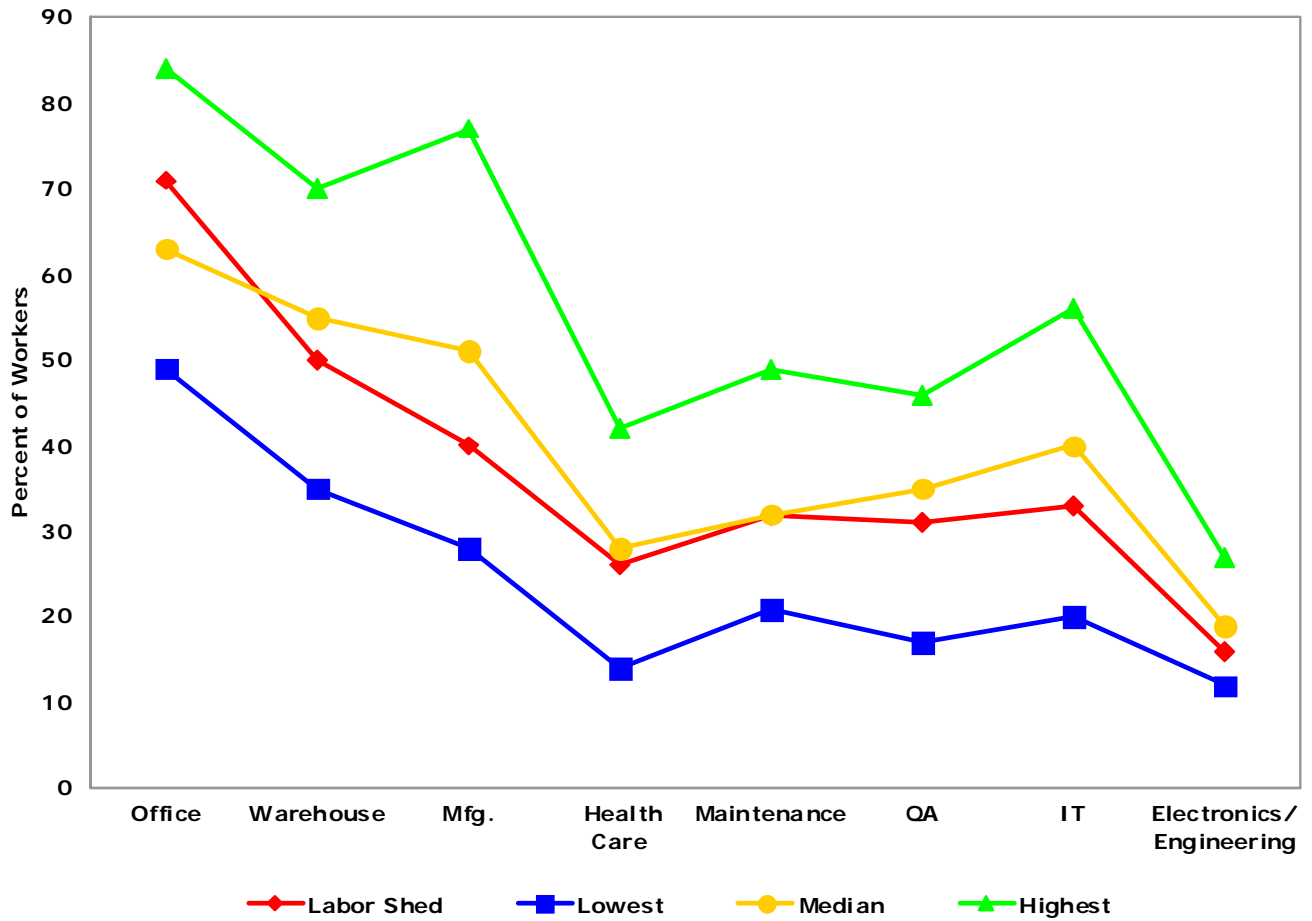
INFORMATION TECHNOLOGY



**ELECTRONICS /
ENGINEERING**



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



EMPLOYERS' VIEWS OF THE THE AMARILLO AREA TOTAL WORKFORCE

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

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

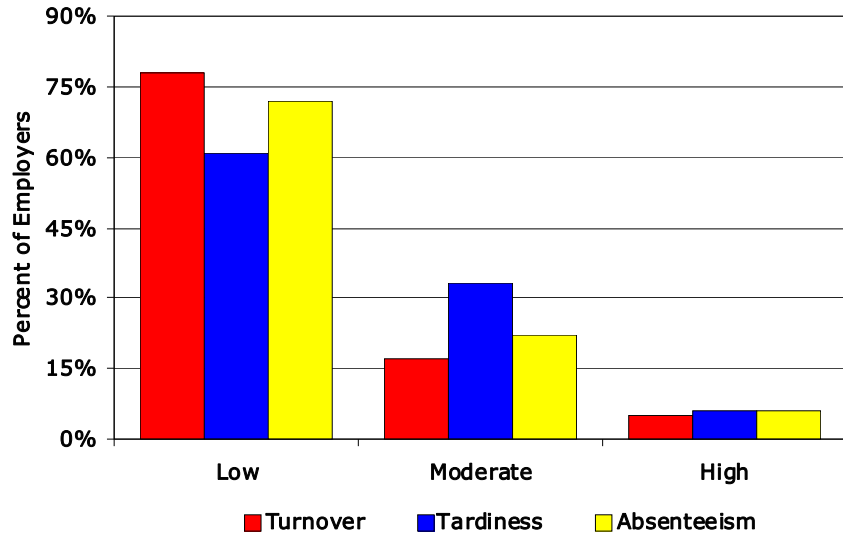
Recruiting Methods – Hourly Workers	% of Employers
Internet	50%
Newspaper Ads	39%

Recruiting Methods – Salaried Workers	% of Employers
Internet	78%
Newspaper Ads	33%

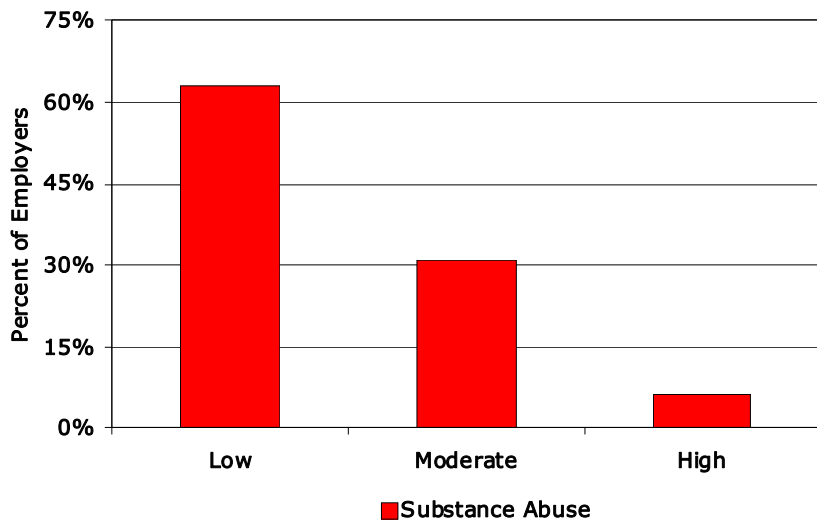
50% of the employers interviewed stated their companies had operations in other regions of the United States. Of these employers, those familiar with the workforces in those other locations reported that their Amarillo area operations were comparable to or better than the other regions in terms of profitability and production.



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

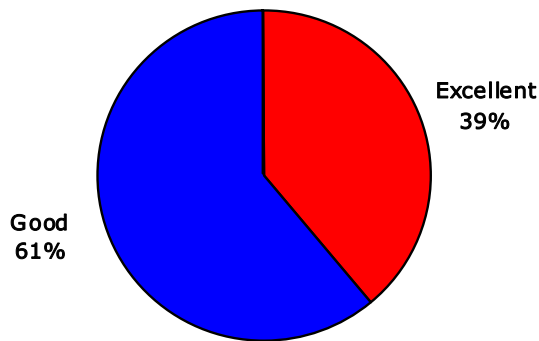


Additionally, in the Amarillo region, 83% of the employers interviewed stated their companies tested for substance abuse, primarily pre-employment. Substance abuse within the workforce, as reported by the participating employers, is shown in the chart below.

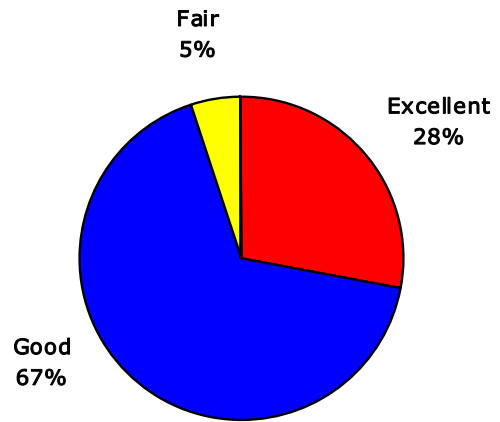


In consideration of all factors, 100% of the employers in the Amarillo area rated the productivity of the workforce as "Good" to "Excellent". Worker attitudes received high marks from 95% of the employers.

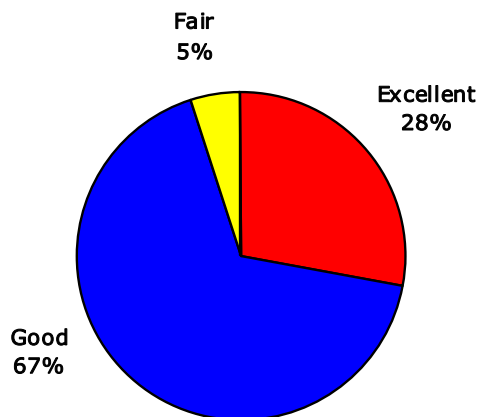
WORKER PRODUCTIVITY



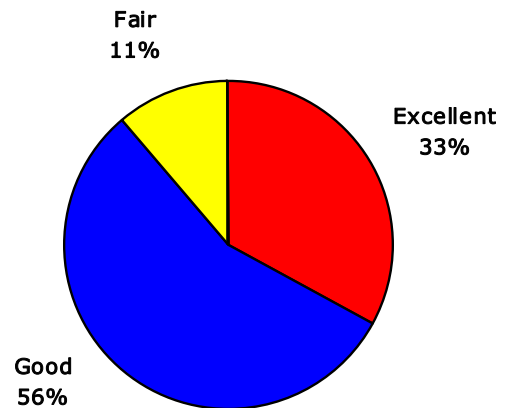
WORKER RELIABILITY



WORKER ATTITUDES

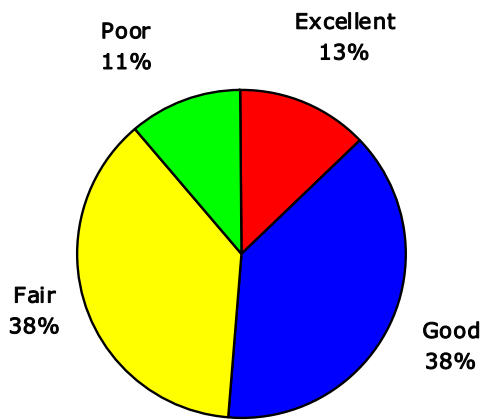


TEAMWORK SKILLS

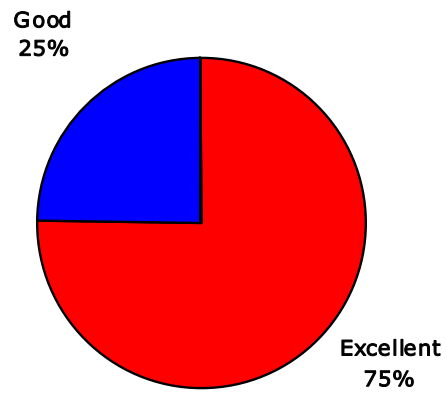


The educational competencies of employees are additional factors used to evaluate an area’s labor force. In the Amarillo area, 51% of the employers interviewed rated the local public schools as “Excellent” or “Good”, and 100% of the employers rated the local community colleges and technical schools as “Excellent” or “Good”. Ratings for basic skills and other factors are also shown.

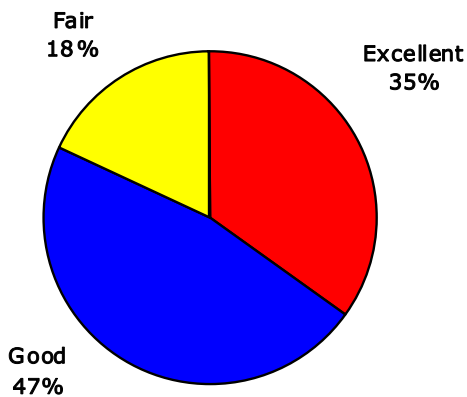
LOCAL PUBLIC SCHOOLS



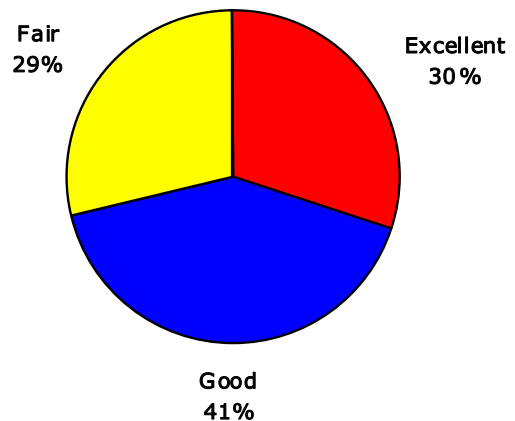
LOCAL COMMUNITY COLLEGES AND TECH SCHOOLS



READING SKILLS



WRITING SKILLS

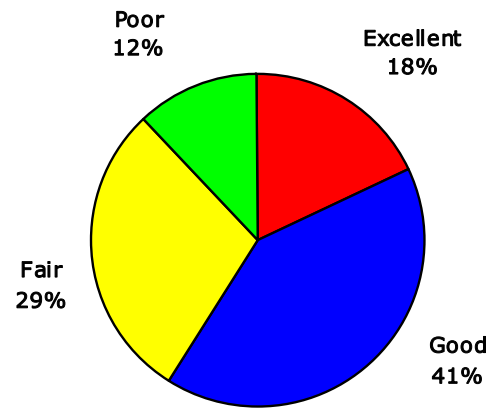


EMPLOYERS' RATINGS The Amarillo Area Labor Shed

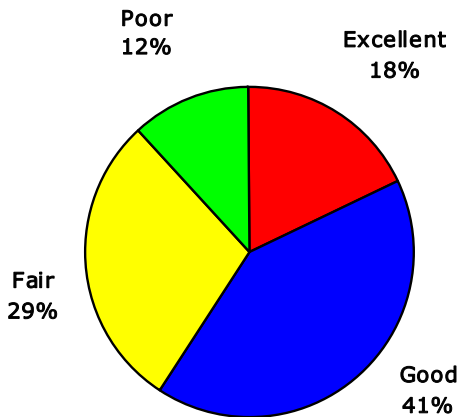
MATH SKILLS



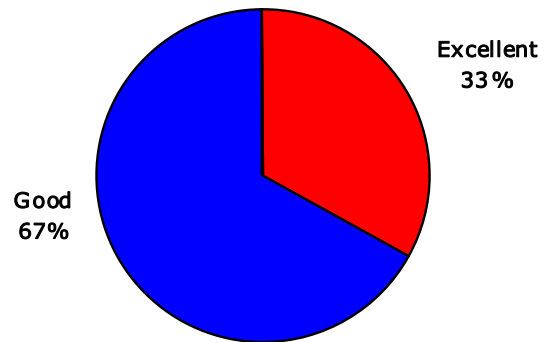
ENTRY LEVEL SKILLS



JOB READINESS SKILLS

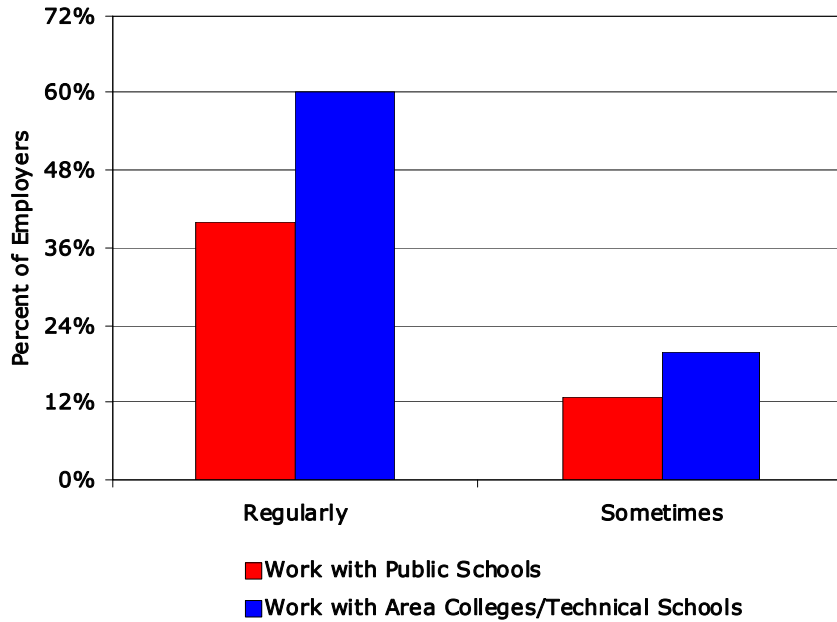


WORKER TRAINABILITY

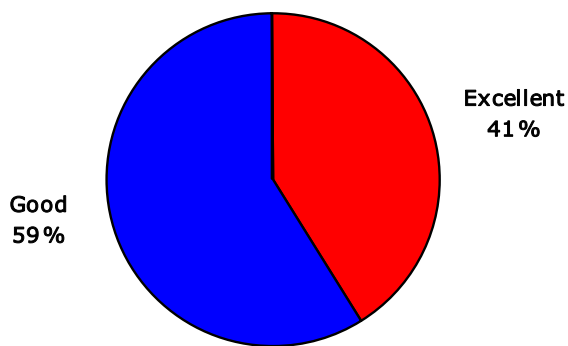


EMPLOYERS' RATINGS The Amarillo Area Labor Shed

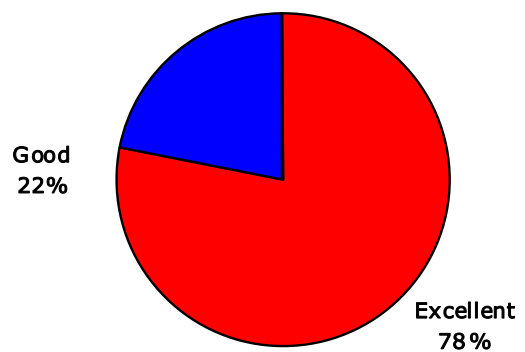
Additionally, many of the employers interviewed stated their companies worked with the area educational institutions in terms of co-ops, apprenticeships, internships or other training programs.



AREA BUSINESS CLIMATE

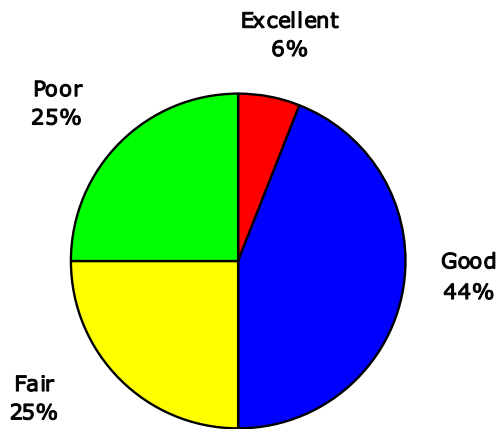


AREA QUALITY OF LIFE

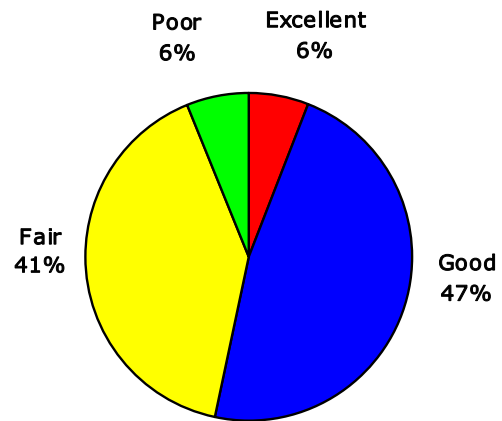


A common employer complaint relates to the shortage of skilled and technical workers. These workers are in great demand and difficult to find in the vast majority of locations. Of the companies in the labor shed interviewed, 50% considered skilled worker availability to be "Excellent" or "Good", while 25% considered it to be "Fair". The availability of technical workers in the labor shed was rated "Excellent" or "Good" by 53% of the interviewed companies and "Fair" by 41%. The ratings for availability of unskilled and professional workers are also illustrated in the pie charts below.

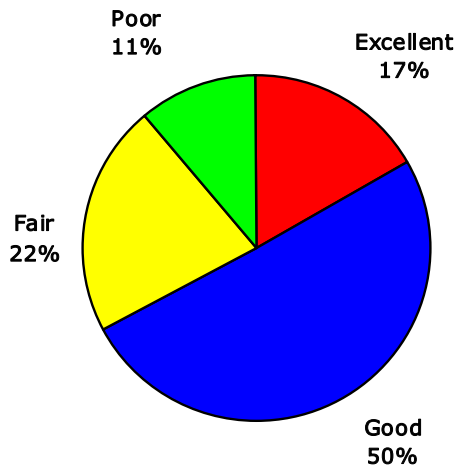
SKILLED WORKERS AVAILABILITY



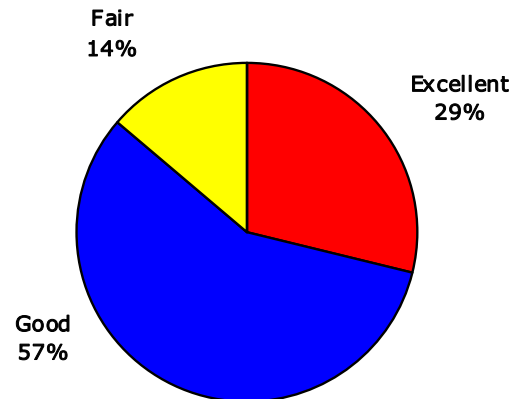
TECHNICAL WORKERS AVAILABILITY



PROFESSIONAL WORKERS AVAILABILITY



UNSKILLED WORKERS AVAILABILITY





THE PATHFINDERS

P.O. Box 702317
Dallas, Texas 75370

Telephone: 972-387-3750
Fax: 469-916-6878

E-Mail: info@thepathfindersus.com

Web site: www.thepathfindersus.com