

**THE
YANKTON, SOUTH DAKOTA
AREA
LABOR AVAILABILITY REPORT**

July, 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 Yankton area workforce. In site-selection projects, the question that most often drives the search is whether the candidate location has the workforce needed for a new or expanding operation. When considering the workforce of a possible location, a prospect basically wants to know:

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

Consequently, an analysis of an area's workforce became a key component of site searches conducted by The Pathfinders. The report that follows was developed as a tool for economic development officials for use in business recruitment and workforce development efforts. Senior human resources executives from among corporate clients assisted in refining the methodology and report format.

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

The Pathfinders was retained by the Yankton Office of Economic Development to quantify the extent to which both unemployment and underemployment exist in the Yankton 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 Yankton 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 Yankton area, referred to in this report as the “labor shed”, has a household population of approximately 98,700; a civilian labor force of approximately 53,500; and a pool of approximately 2,300 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 9,900 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 \$14.52 per hour, and their median desired pay rate is \$16.35 per hour.
- Survey results indicate that the underemployed workers in the labor shed have high levels of experience and skills in office operations and customer service.
- Survey results indicate 31% of the underemployed workers in the labor shed have a high school or equivalent degree.
- Results indicate that underemployed workers are willing to commute an average of 26 miles to a new job, in contrast to their current average commute of 12 miles.
- In total, the Yankton area has approximately 12,200 available workers for new or expanding businesses.



METHODOLOGY

The first step in assessing the workforce of the Yankton 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 Yankton 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 Yankton, Bon Homme, Clay, Hutchinson and Union Counties in South Dakota; Knox and Cedar Counties in Nebraska; portions of Charles Mix and Turner Counties in South Dakota; and, portions of Pierce and Wayne Counties in Nebraska.

Selected online resources were used in this project. Additionally, The Pathfinders conducted interviews with individuals throughout the Yankton 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 Yankton Area Labor Shed

The Yankton area labor shed has a household population of approximately 98,700. The civilian labor force numbers approximately 53,500, and the labor shed contains approximately 2,300 unemployed people who are actively seeking work.

The results of this assessment determined that approximately 9,900 workers can be defined as underemployed: those individuals who are currently working but would take a better job if offered by a new or existing employer and who appear to possess the skills, education, and experience to qualify them to do so. Together with the unemployed, actively seeking work individuals, the Yankton area has approximately 12,200 available workers for new or existing employers.

TOTAL AVAILABLE WORKERS

Number of underemployed workers	9,900
Number of unemployed, actively seeking work individuals	2,300
	<hr/>
Total Number of Workers Available for Employers*	12,200

* 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 Yankton Area Labor Shed

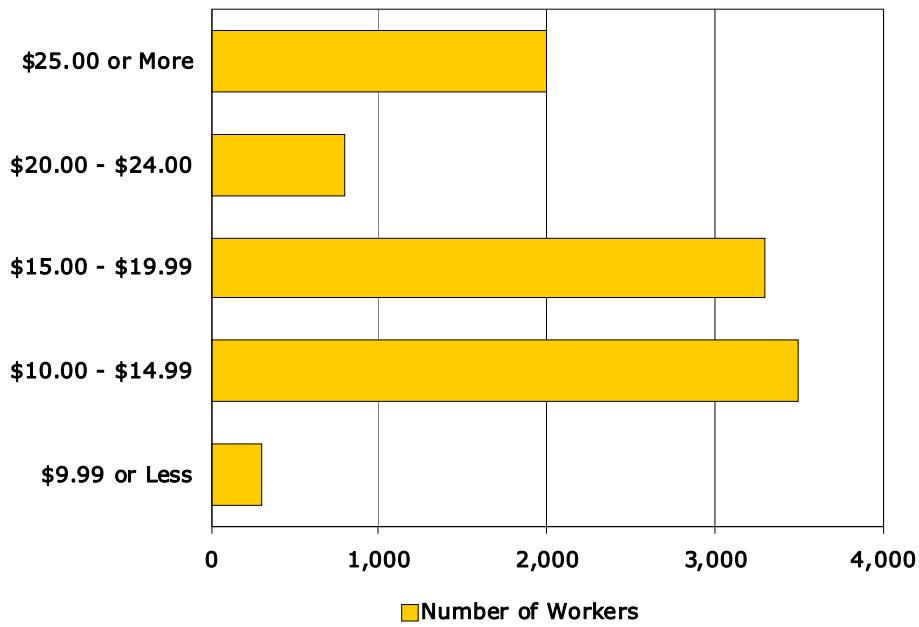
The 9,900 underemployed workers identified in this report might also be termed “upgraders”. They desire to move into an upgraded job and appear to possess the skills, education, and experience to enable them to do so. The following charts represent the desired pay rates of the underemployed individuals 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)

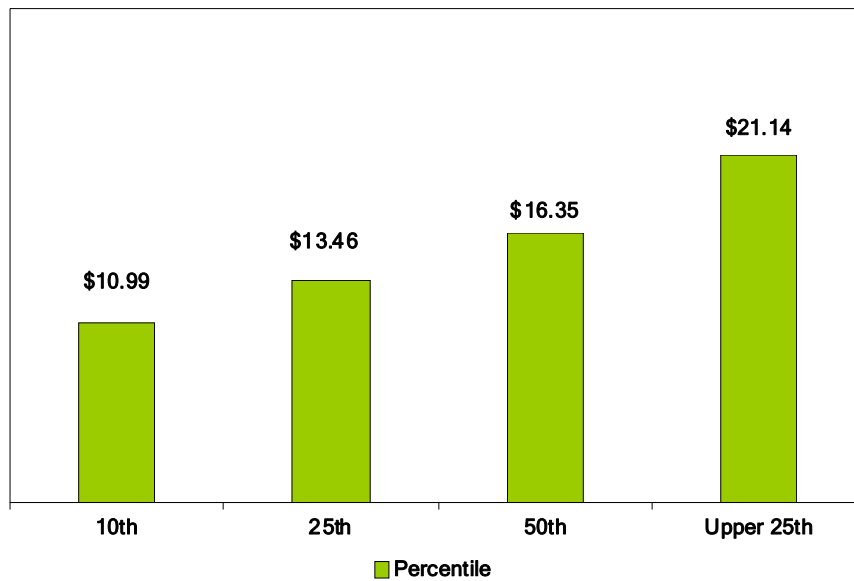
Desired Pay Rate	Number Available
\$9.99 or Less	300
\$10.00 - \$11.99	1,300
\$12.00 - \$13.99	1,200
\$14.00 - \$15.99	1,800
\$16.00 - \$17.99	2,000
\$18.00 - \$19.99	500
\$20.00 - \$21.99	500
\$22.00 - \$23.99	200
\$24.00 - \$25.99	400
\$26.00 - \$27.99	400
\$28.00 - \$29.99	100
\$30.00 - \$31.99	200
\$32.00 - \$33.99	300
\$34.00 - \$35.99	300
\$36.00 or More	400



DESIRED WAGE RATES PER HOUR BY RANGE 9,900 Underemployed Workers



DESIRED WAGE RATES PER HOUR BY PERCENTILE 9,900 Underemployed Workers



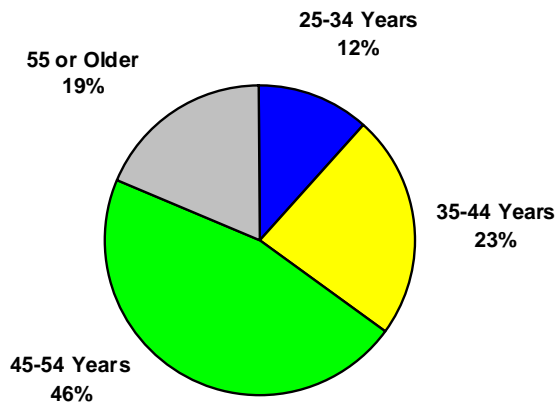
CHARACTERISTICS OF UNDEREMPLOYED WORKERS

The Yankton Area Labor Shed

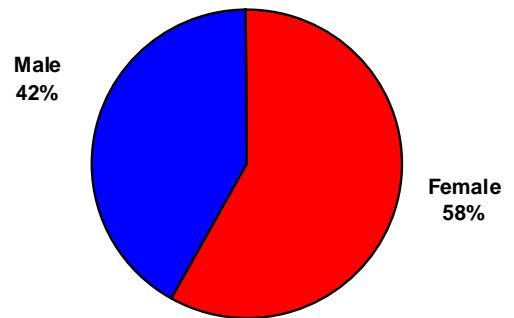
9,900 Underemployed Workers

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.**

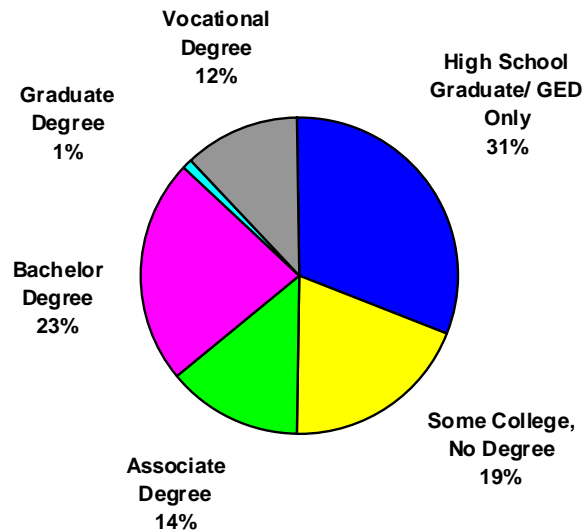
AGE - Average 46 Years



GENDER

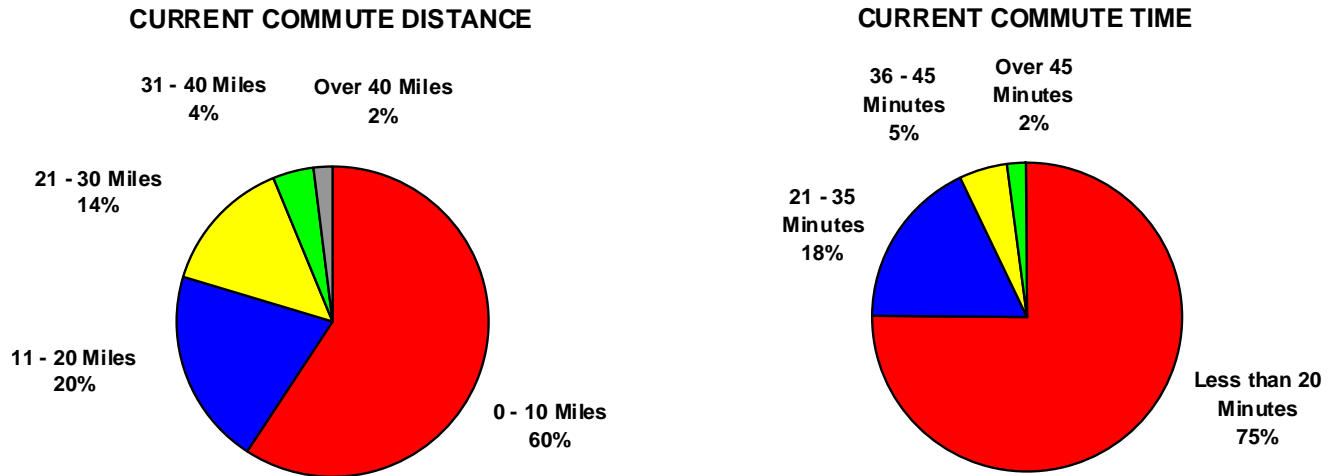


EDUCATION

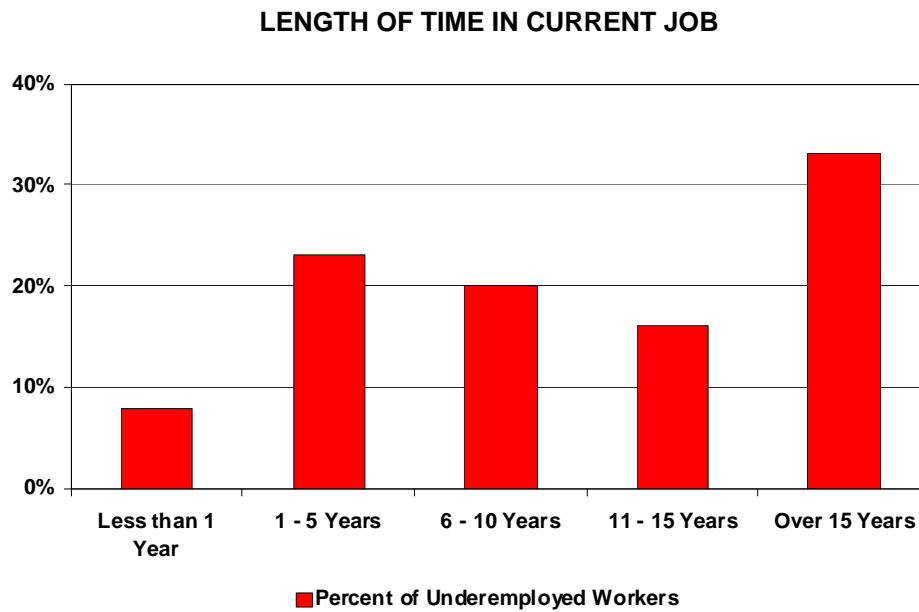


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

9,900 Underemployed Workers

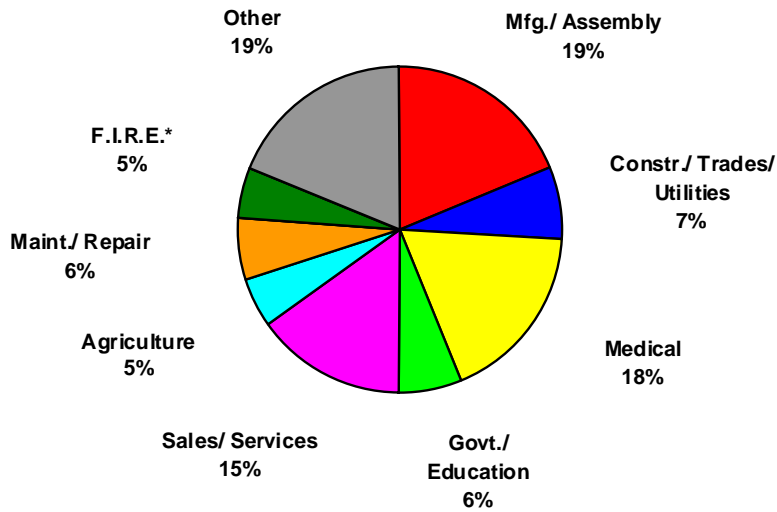


The average commute time of the underemployed workers in the labor shed is 15 minutes, and the average current commute distance is 12 miles.



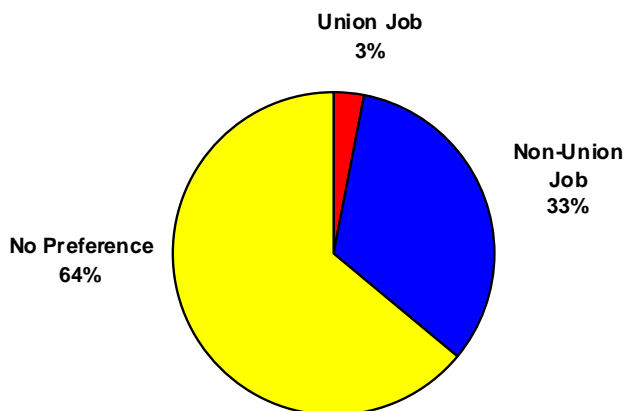
CHARACTERISTICS OF UNDEREMPLOYED WORKERS 9,900 Underemployed Workers

CURRENT AREA OF EMPLOYMENT

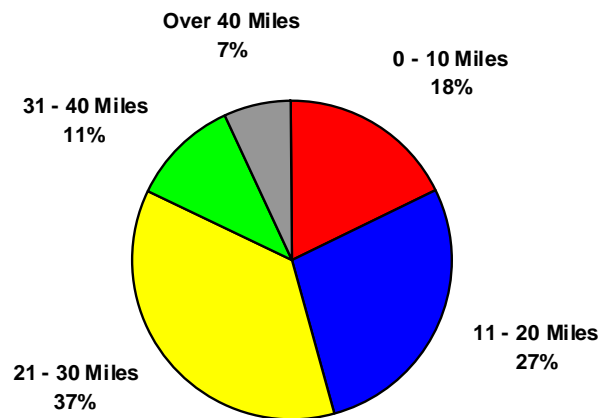


*Finance, Insurance, Real Estate

UNION PREFERENCE



MILES WILLING TO COMMUTE Average 26 Miles



EXPERIENCE AND SKILLS – UNDEREMPLOYED WORKERS

9,900 Underemployed Workers

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

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

EXPERIENCE OF UNDEREMPLOYED WORKERS

Experience Category	Number of Workers*	Percentage of Total	Average Years of Experience
Customer Service	6,200	63%	11
Office Operations	6,000	61%	10
Manufacturing/Assembly/Fabrication	5,400	55%	12
Warehouse/Distribution/Transportation	3,900	39%	8
Maintenance/Installation/Repair	3,800	38%	10
Information Technology	3,500	35%	6
Medical/Health Sciences	3,200	32%	11
Call Center	1,900	19%	8

* Rounded



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

SKILLS OF UNDEREMPLOYED WORKERS

Skills Category	Number of Workers*	Percentage of Total
Office Operations	5,600	57%
Manufacturing/Assembly/Fabrication	5,600	57%
Warehouse/Materials Handling	5,100	52%
Information Technology	4,500	45%
Maintenance/Installation/Repair	4,400	44%
Technician/Quality Assurance	3,900	39%
Medical/Health Sciences	3,500	35%
Electronics/Engineering	2,200	22%

* Rounded

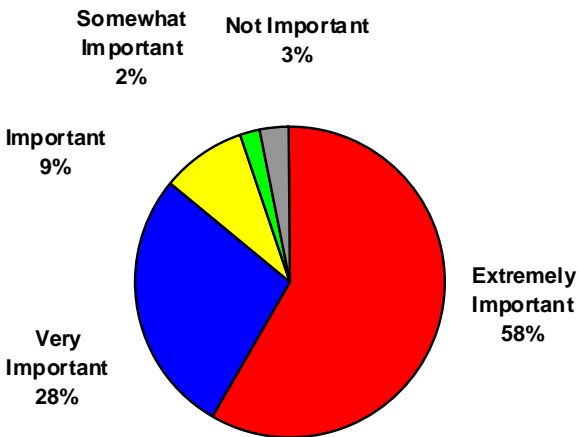


FACTORS AFFECTING JOB DESIRABILITY

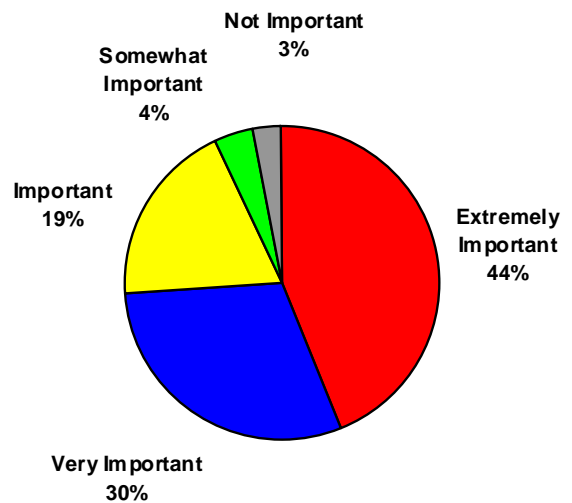
9,900 Underemployed Workers

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

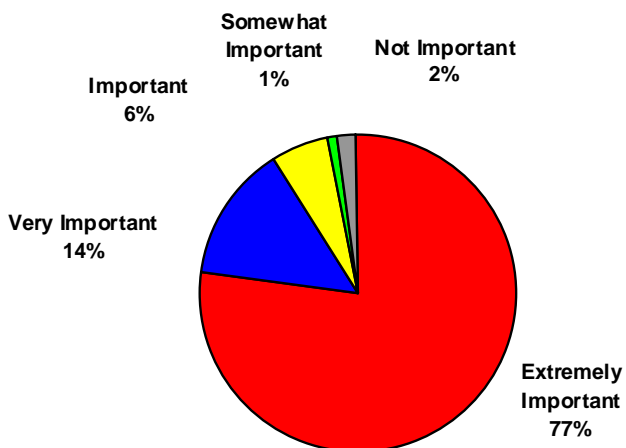
SALARY



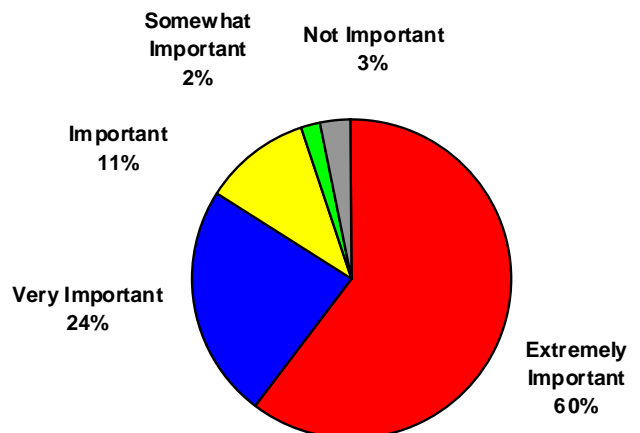
LOCATION



INSURANCE BENEFITS

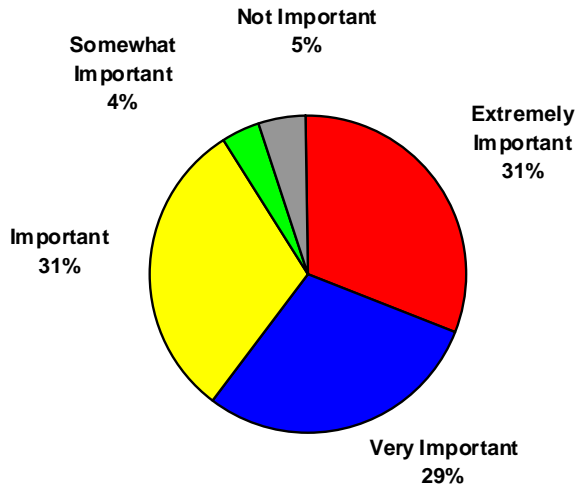


RETIREMENTS BENEFITS

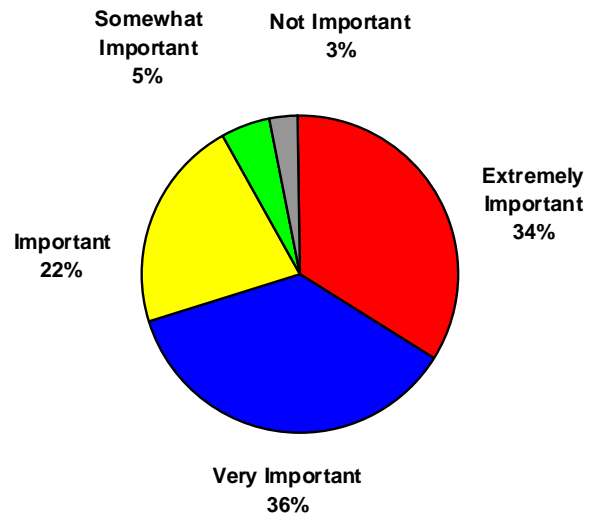


FACTORS AFFECTING JOB DESIRABILITY / CURRENT BENEFITS
9,900 Underemployed Workers

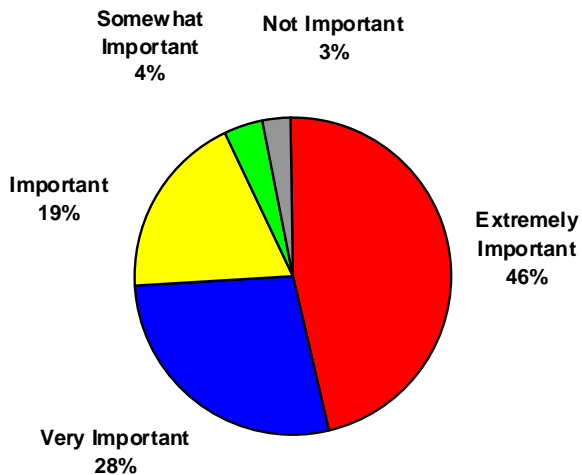
PHYSICAL WORKING ENVIRONMENT



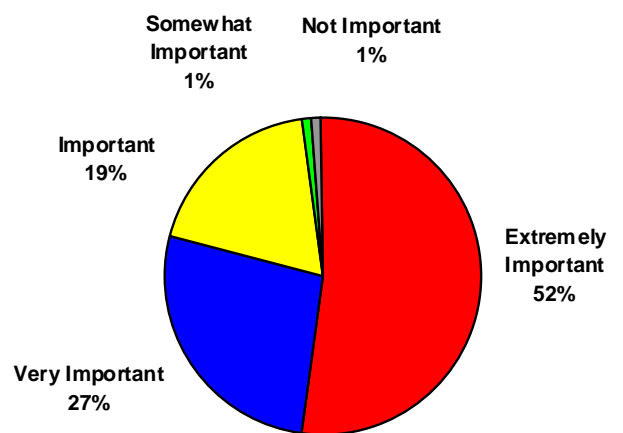
PAID TRAINING PROGRAMS



FLEXIBLE WORK SCHEDULE



OPPORTUNITY FOR ADVANCEMENT

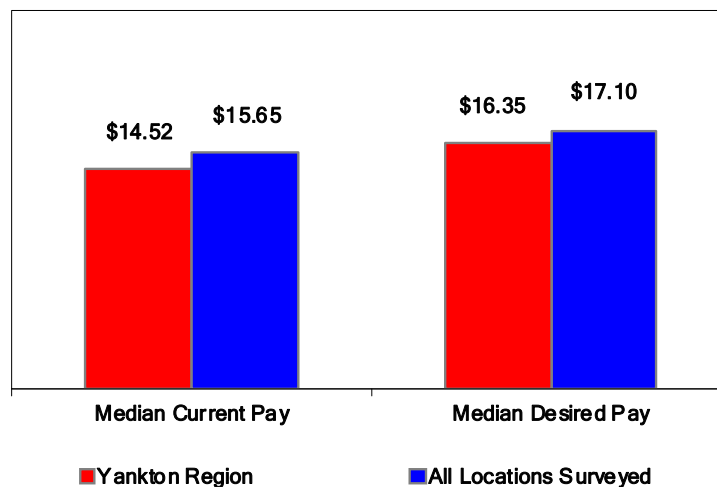


NATIONAL COMPARISONS OF UNDEREMPLOYED WORKFORCE

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 Yankton 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 Yankton region is referred to as “labor shed”.

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

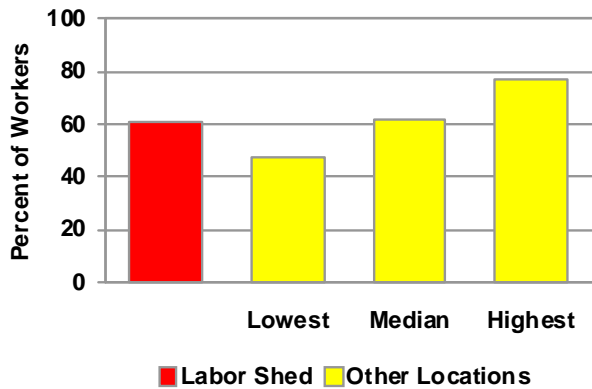
COMPARISON OF MEDIAN CURRENT / DESIRED WAGES (per hour)



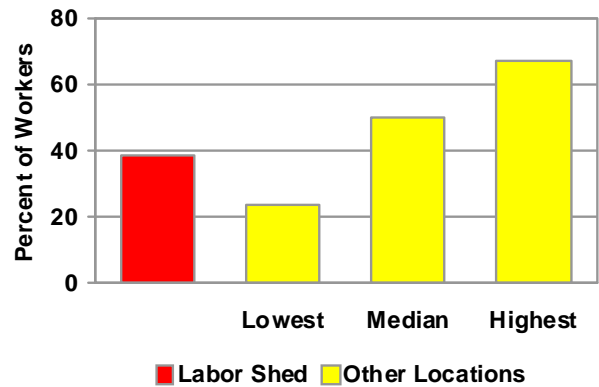
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

The Yankton Area /
Locations Surveyed Over the Past 18 Months

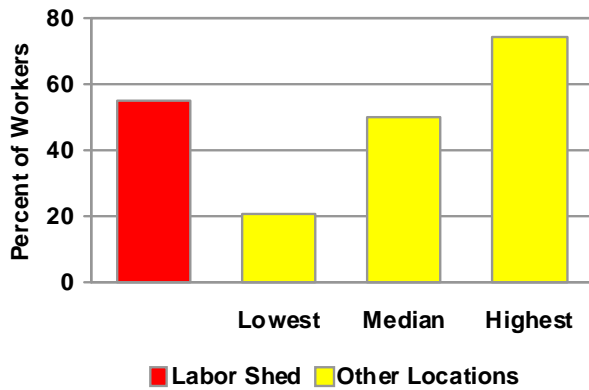
OFFICE



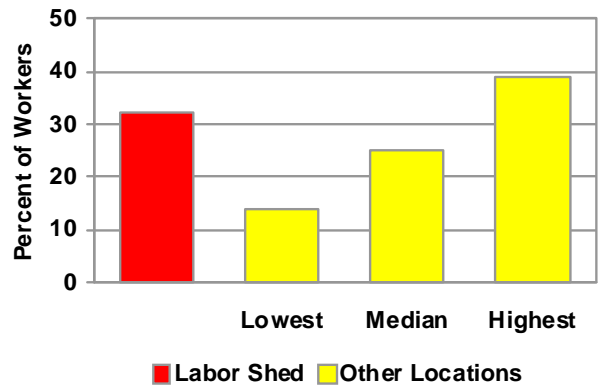
**WAREHOUSE / DISTRIBUTION /
TRANSPORTATION**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



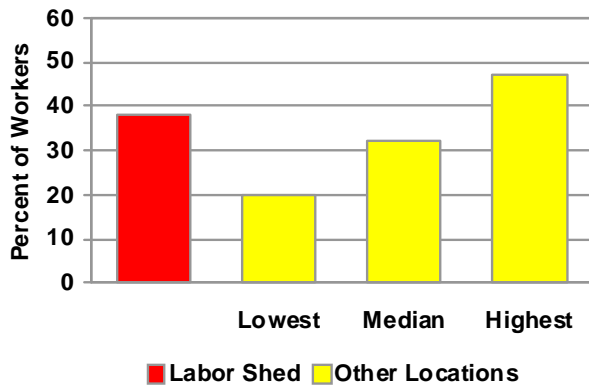
**MEDICAL /
HEALTH SCIENCES**



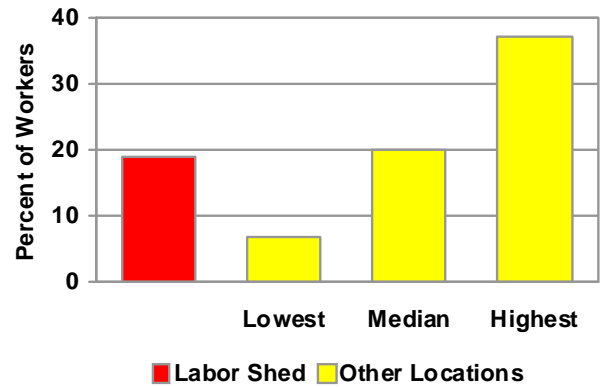
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

The Yankton Area /
Locations Surveyed Over the Past 18 Months

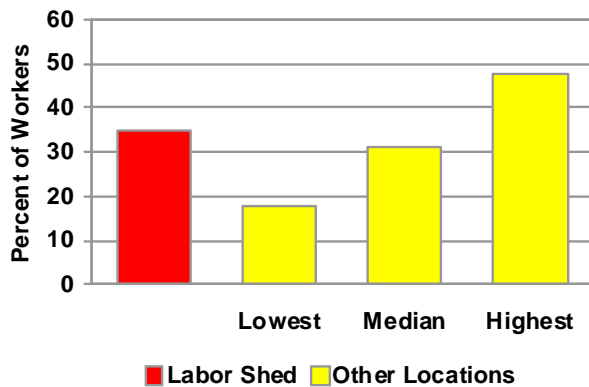
**MAINTENANCE /
INSTALLATION / REPAIR**



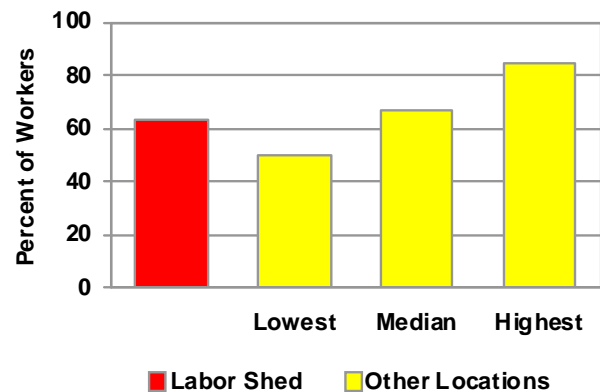
CALL CENTER



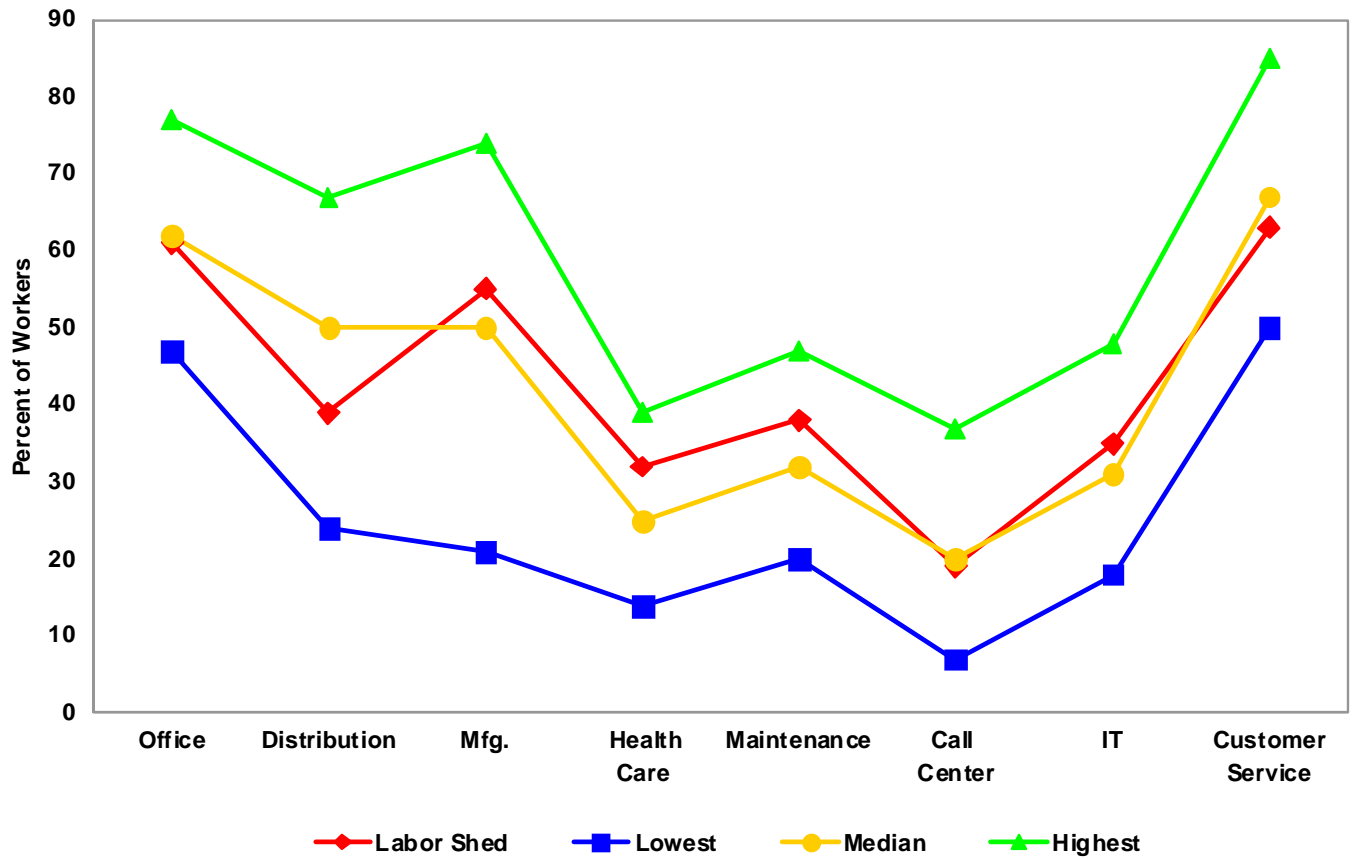
INFORMATION TECHNOLOGY



CUSTOMER SERVICE



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



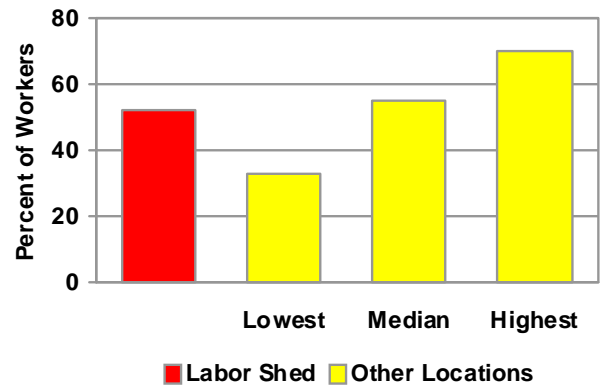
**COMPARISON OF SKILLS
UNDEREMPLOYED WORKERS**

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

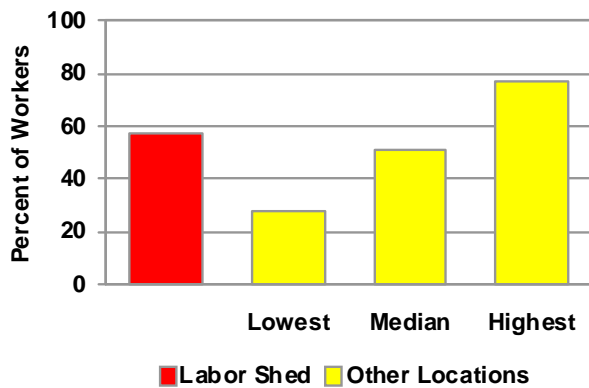
OFFICE



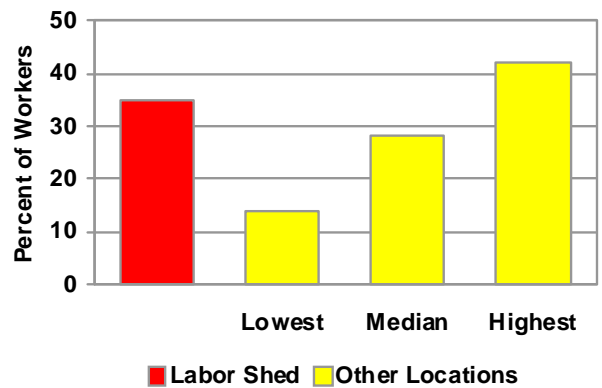
**WAREHOUSE /
MATERIALS HANDLING**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



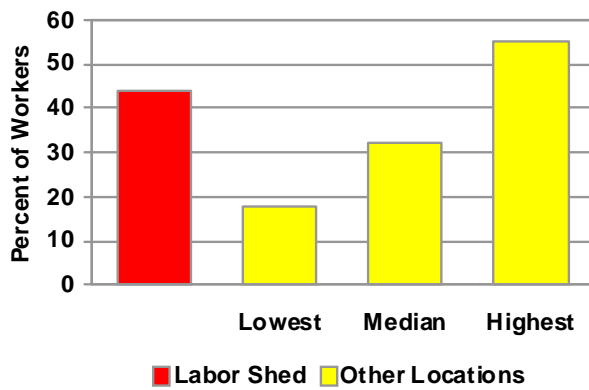
**MEDICAL /
HEALTH SCIENCES**



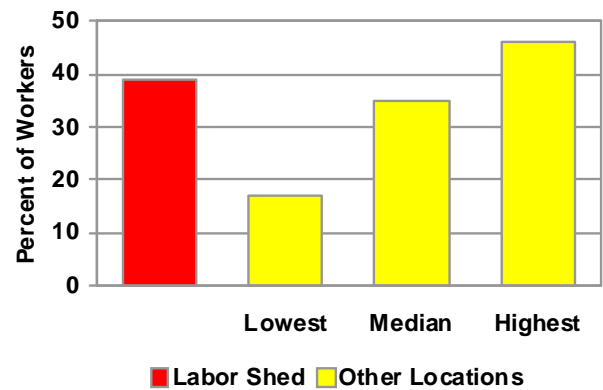
COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

The Yankton Area /
Locations Surveyed Over the Past 18 Months

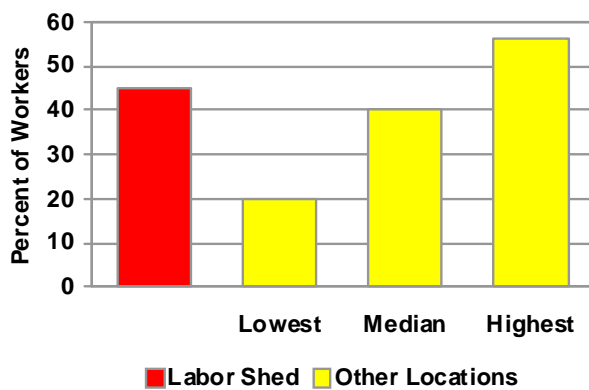
MAINTENANCE / INSTALLATION / REPAIR



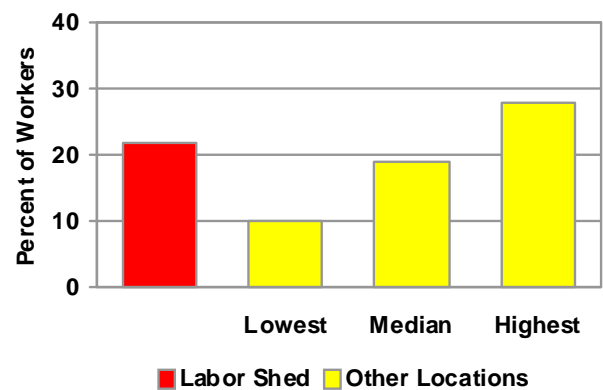
TECHNICIAN / QUALITY ASSURANCE



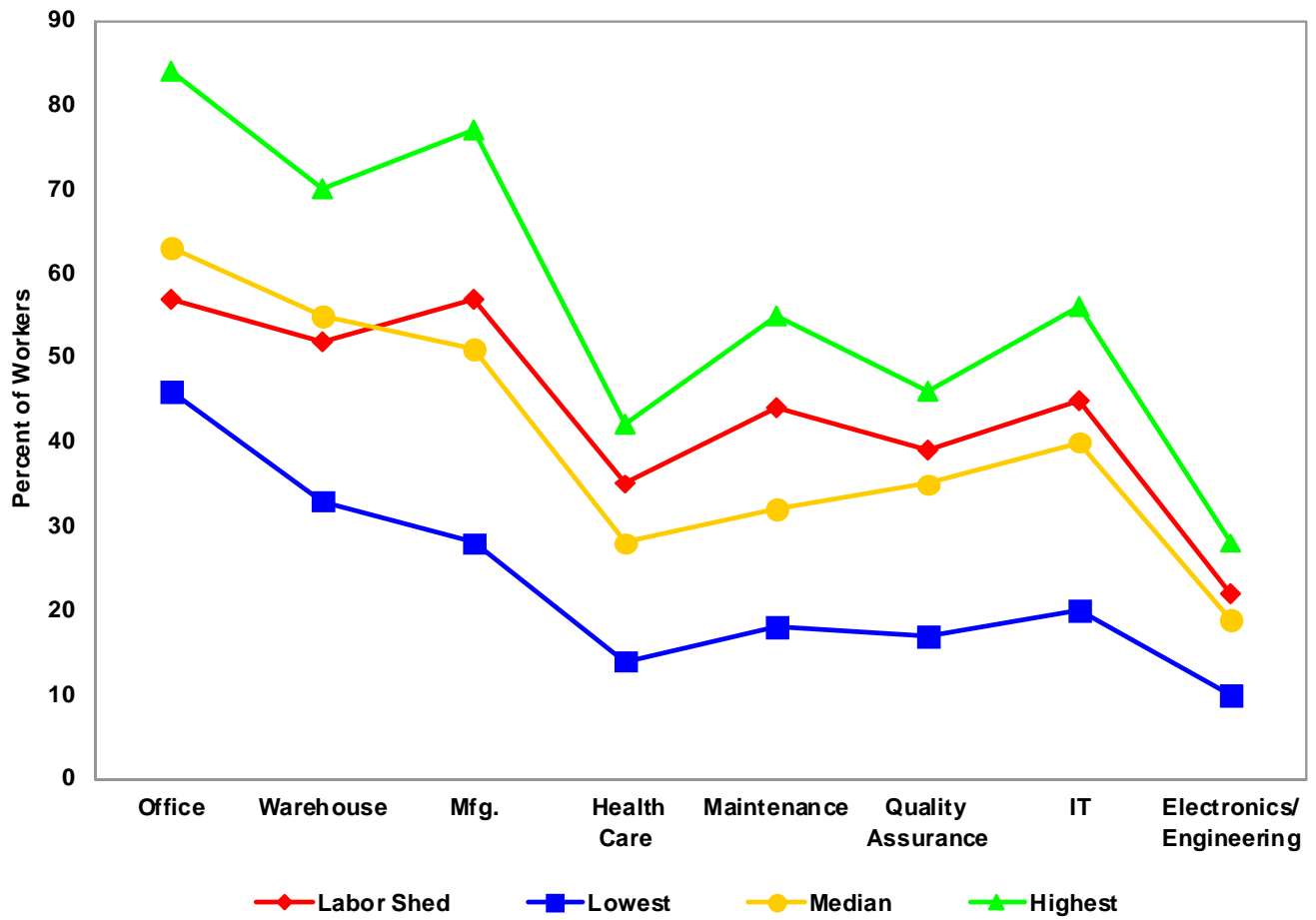
INFORMATION TECHNOLOGY



ELECTRONICS / ENGINEERING



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



EMPLOYERS' VIEWS OF THE THE YANKTON AREA TOTAL WORKFORCE

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

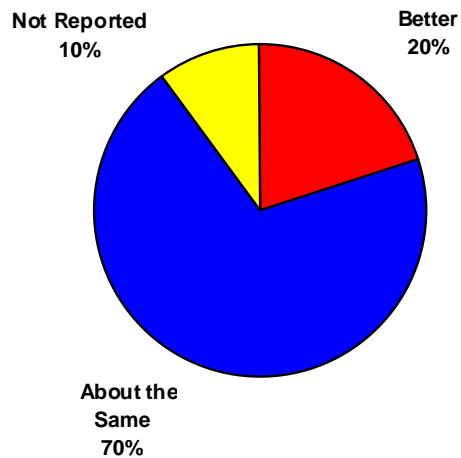
As determined from the employer interviews, the tables below reflect the top five methods used to recruit hourly and salaried workers in the Yankton region and the percent of employers utilizing each method. Employers may use multiple recruitment methods.

Recruiting Methods – Hourly Workers	% of Employers
Newspaper Ads	52%
State Agency	44%
Word of Mouth	32%
Internet	16%
Walk-Ins	8%

Recruiting Methods – Salaried Workers	% of Employers
Newspaper Ads	36%
Internet	24%
Word of Mouth	16%
State Agency	16%
Colleges	12%

40% of the employers interviewed stated their companies had operations in other regions of the United States. Of these employers, those familiar with the workforces in those other locations reported their Yankton area operations were comparable to the other regions in terms of profitability and production.

WORKFORCE COMPARISON WITH OTHER LOCATIONS



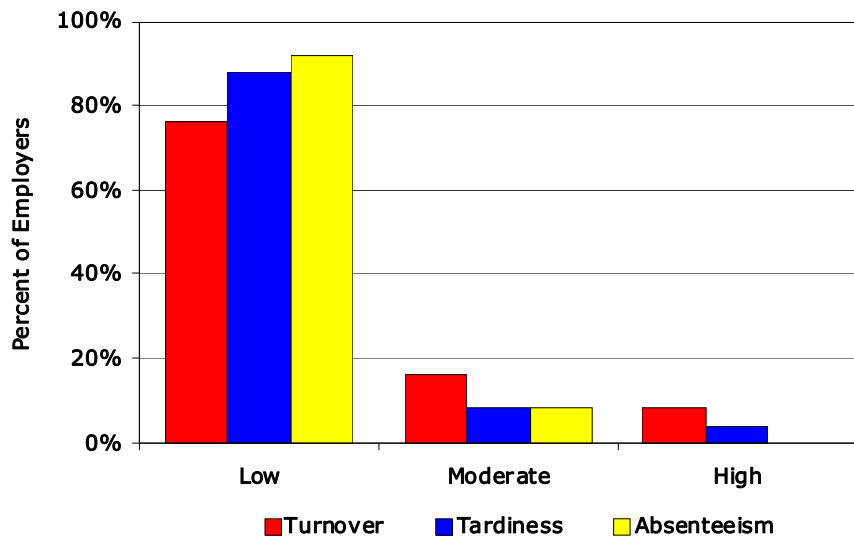
Based upon the experience of The Pathfinders in evaluating labor forces in numerous locations, a definite correlation between productivity, absenteeism, tardiness, turnover, and substance abuse appears to exist. That correlation goes beyond the fact that an absent worker is obviously unproductive. Rather,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

The employers surveyed in this study were asked to rate turnover, tardiness and absenteeism among their workers as "Low", "Moderate" or "High". Further, they were surveyed as to their substance abuse testing practices and asked to rate substance abuse among the area workforce.

The charts on the following pages illustrate the percent of employers' ratings for these and other factors, including educational facilities, worker reliability, teamwork and basic skills.

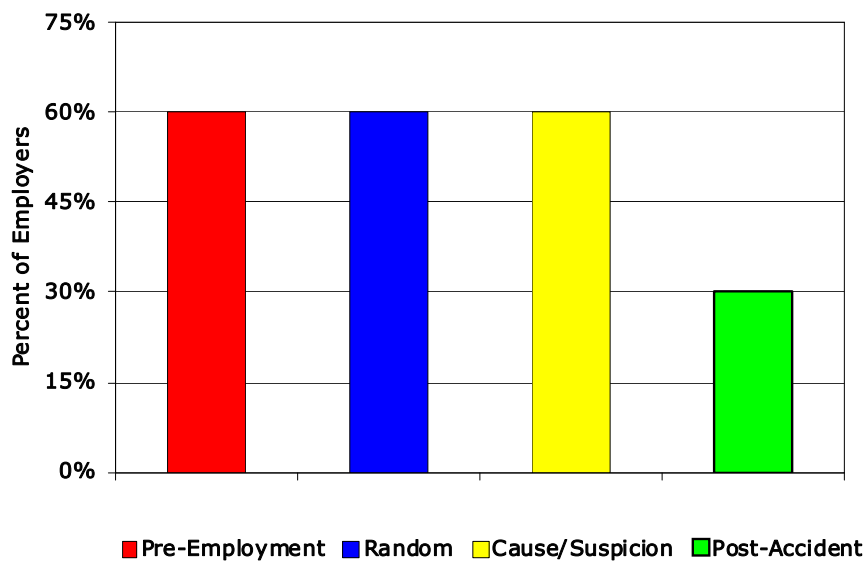


EMPLOYERS' RATINGS TURNOVER / TARDINESS / ABSENTEEISM



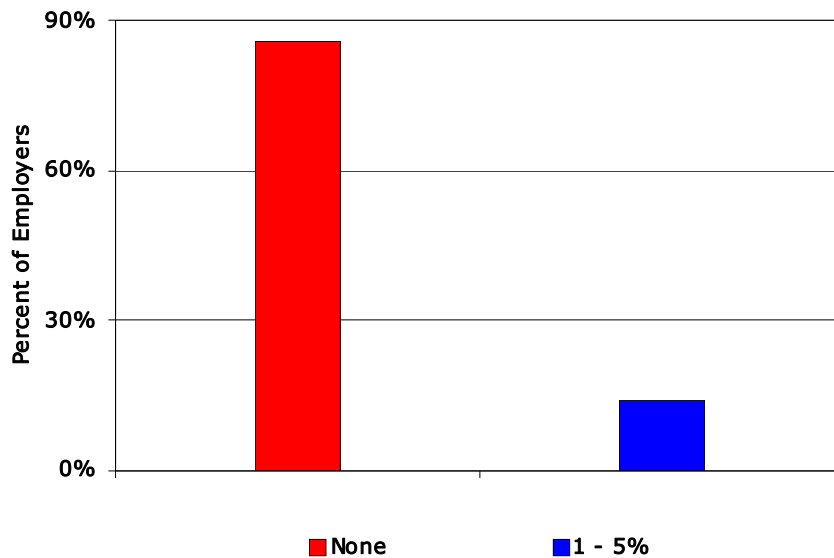
In the Yankton labor shed, 40% of the employers interviewed stated their companies tested for substance abuse, using one or more of the following practices:

SUBSTANCE ABUSE TESTING PRACTICES



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

PERCENT OF APPLICANTS WHO FAIL PRE-EMPLOYMENT DRUG TEST

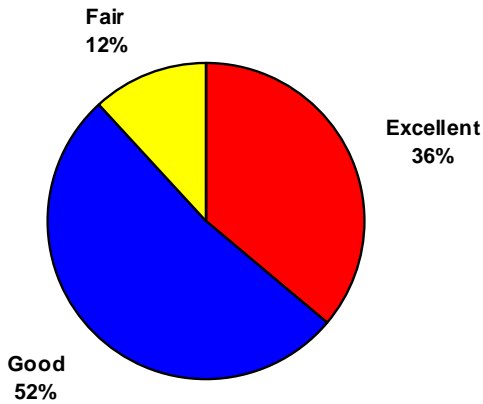


SUBSTANCE ABUSE RATING – AREA WORKFORCE

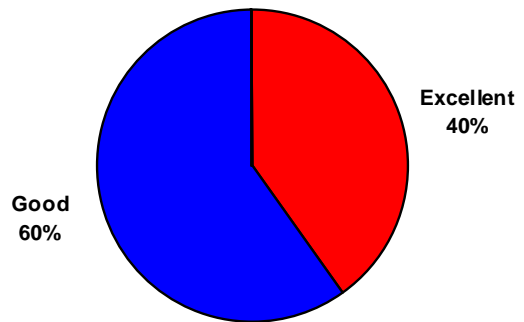


In consideration of all factors, 88% of the employers in the Yankton area rated the productivity of the workforce as “Good” to “Excellent”. Worker attitudes received high marks from 92% of the employers.

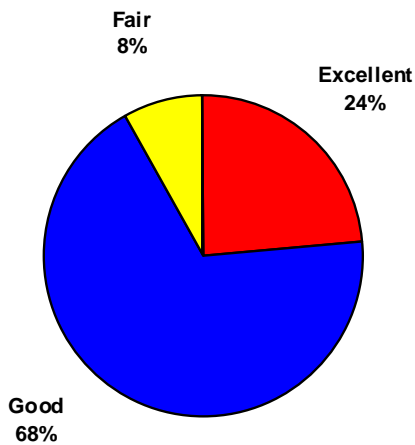
WORKER PRODUCTIVITY



WORKER RELIABILITY



WORKER ATTITUDES

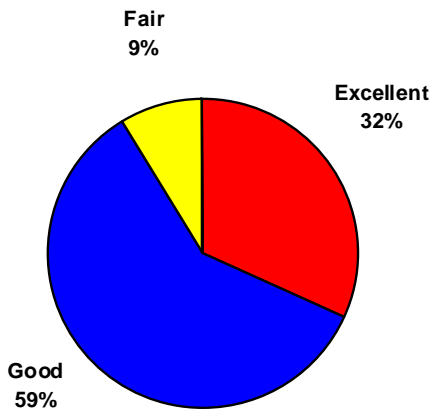


TEAMWORK SKILLS

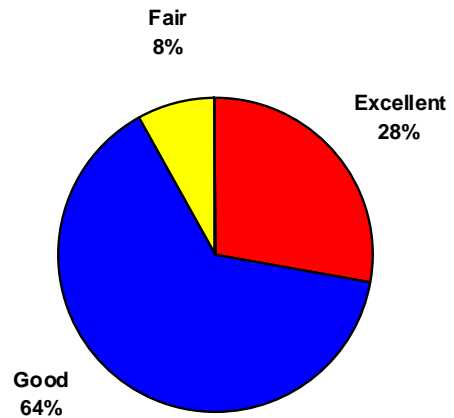


The educational competencies of employees are additional factors used to evaluate an area’s labor force. In the Yankton area, 91% of the employers interviewed rated the local public schools as “Excellent” or “Good”, and 92% of the employers rated the local community colleges and technical schools as “Excellent” or “Good”. Ratings for basic skills and other factors are also shown.

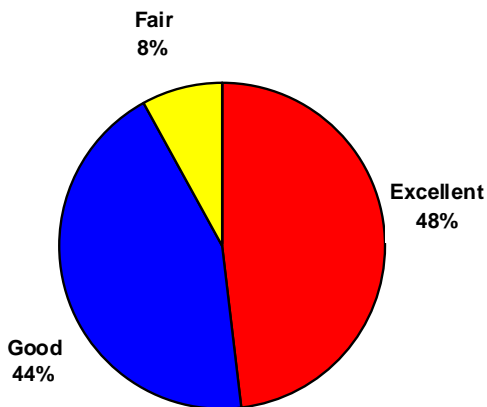
LOCAL PUBLIC SCHOOLS



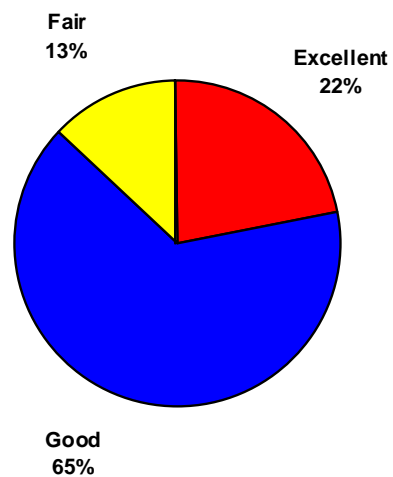
LOCAL COMMUNITY COLLEGES AND TECH SCHOOLS



READING SKILLS

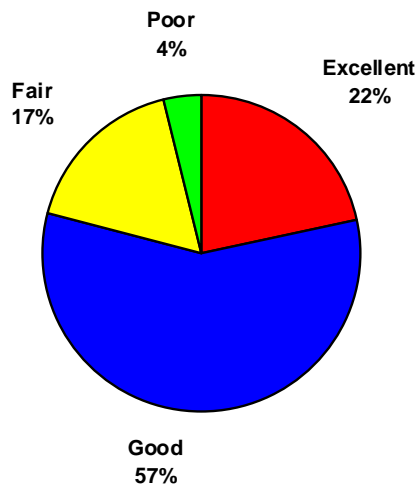


WRITING SKILLS

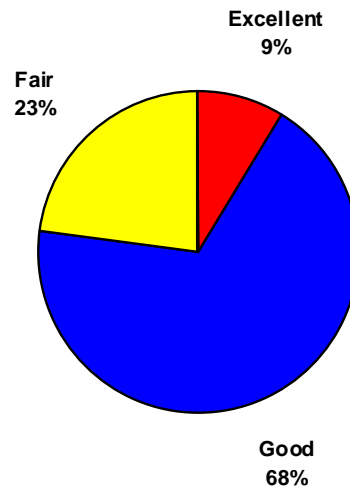


EMPLOYERS' RATINGS The Yankton Area Labor Shed

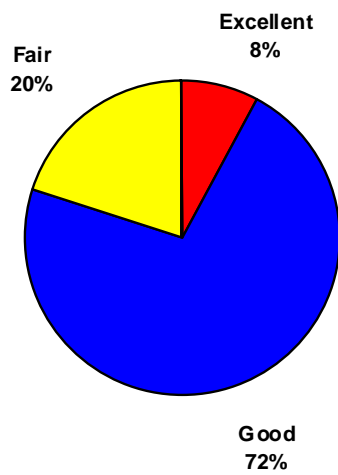
MATH SKILLS



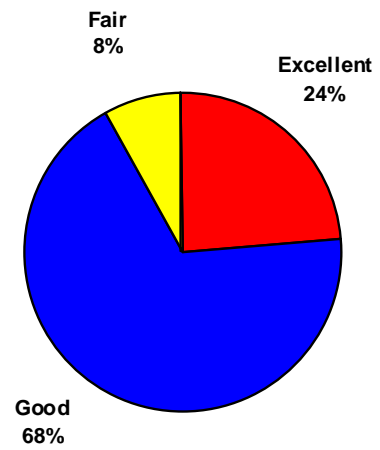
COMPUTER SKILLS



JOB READINESS SKILLS



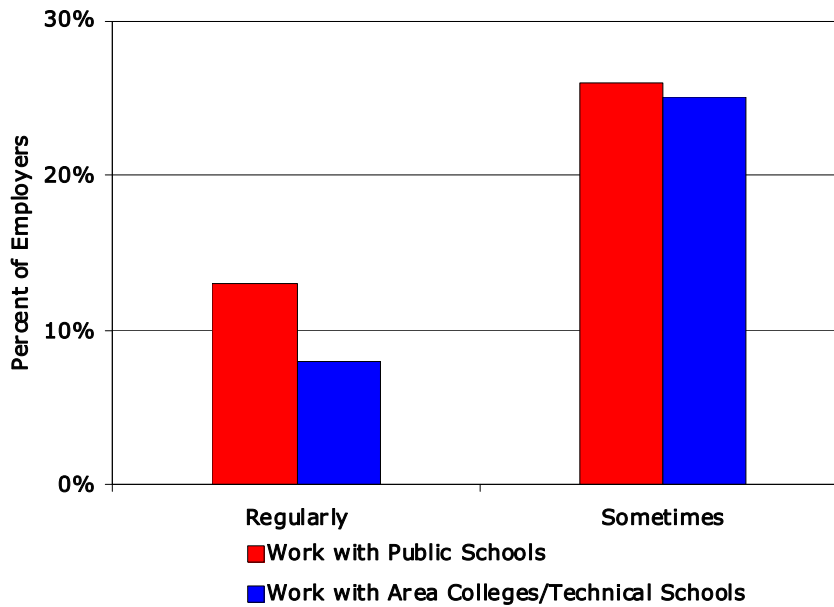
WORKER TRAINABILITY



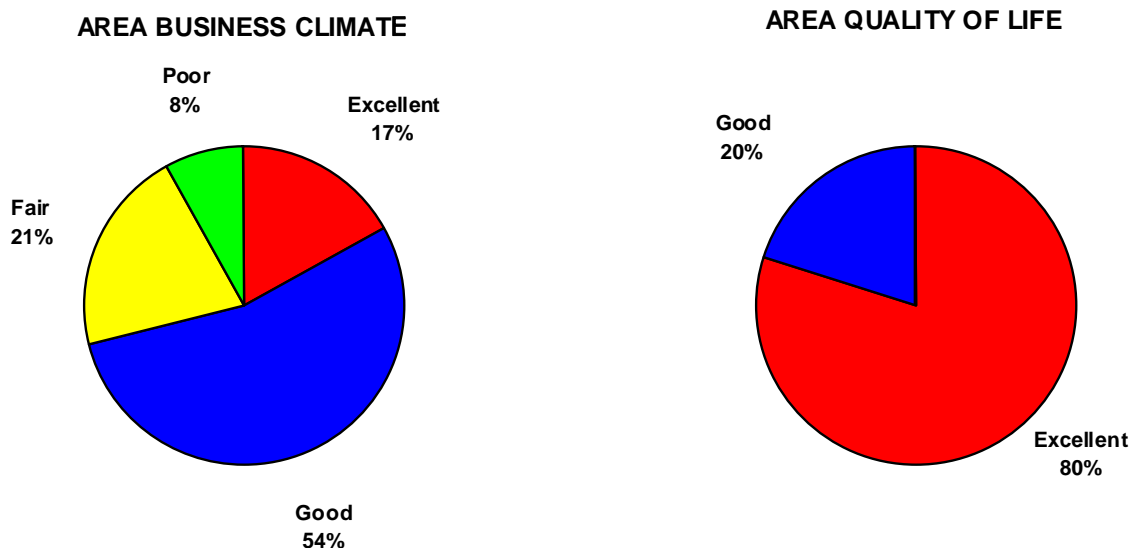
EMPLOYERS' RATINGS

The Yankton Area Labor Shed

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

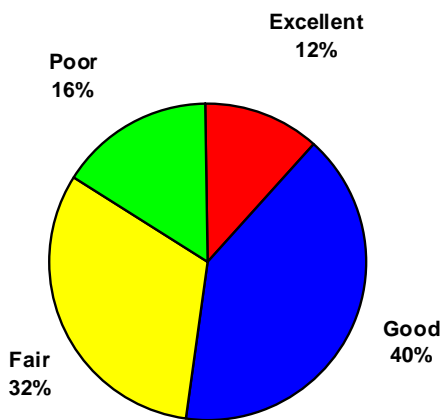


Employers gave the following ratings to the area's business climate in terms of such factors as support and regulations and also rated the area's overall quality of life.

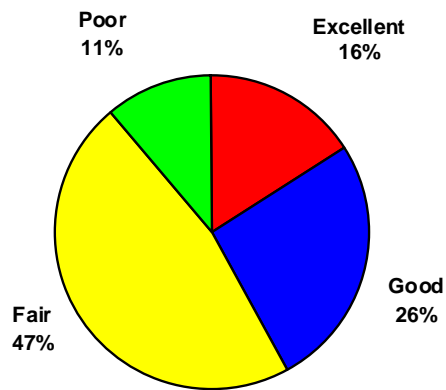


A common employer complaint relates to the availability of skilled and technical workers in a location. Of the companies in the labor shed interviewed, 52% considered skilled worker availability to be “Excellent” or “Good”, while 32% considered it to be “Fair”. The availability of technical workers in the labor shed was rated “Excellent” or “Good” by 42% of the interviewed companies and “Fair” by 47%. The ratings for the availability of these workers as well as unskilled and professional workers are illustrated in the pie charts below.

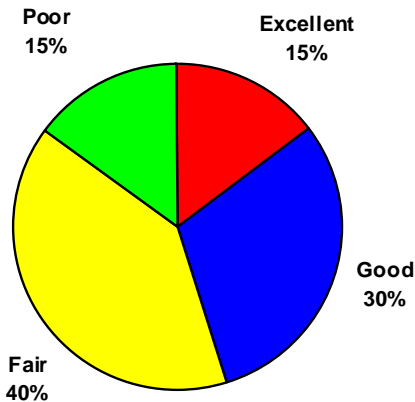
SKILLED WORKERS AVAILABILITY



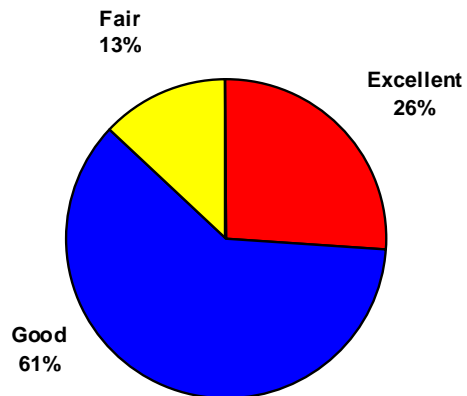
TECHNICAL WORKERS AVAILABILITY



PROFESSIONAL WORKERS AVAILABILITY



UNSKILLED WORKERS AVAILABILITY





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