

Elk City Area Labor Force Analysis

Summary Report

for the

City of Elk City

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with data provided by

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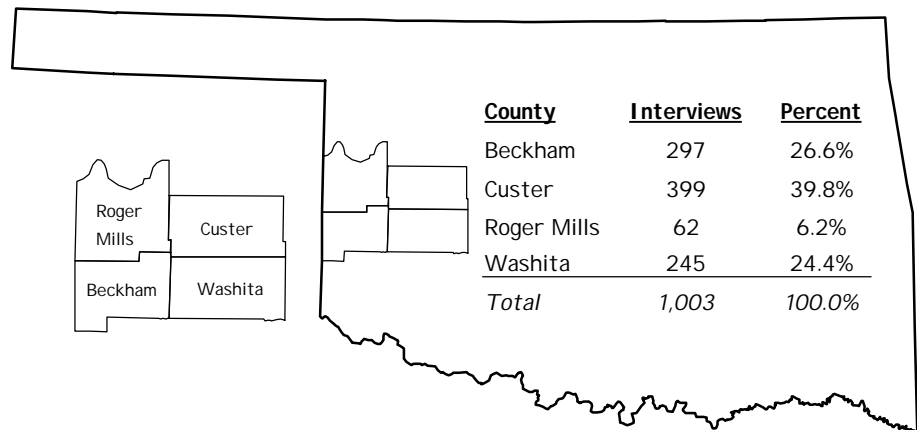
Introduction

This *Elk City Area Labor Force Analysis* expands upon the *Area Labor Force Analysis for Beckham, Custer, Roger Mills and Washita Counties* and relates information specifically for the city of Elk City. The purpose therefore is to present more detailed information about Elk City's labor force. Some general information about the survey should be discussed before presenting the analysis and results.

This report and the survey would not have been possible without the generous support of the Oklahoma Department of Commerce, Public Service Company of Oklahoma, Midwestern Oklahoma Development Authority, the Elk City Area Economic Development Corporation, and the cities of Elk City, Clinton and Weatherford.

The Center for Economic & Management Research (CEMR) at the University of Oklahoma conducted the survey and sent the raw data to the Business Development Center at Southwestern Oklahoma State University for analysis. In conducting the

survey, CEMR randomly selected over one thousand adults in four West Oklahoma counties to contact in a telephone survey. The accompanying graphic identifies the counties and the number of people surveyed in each of the counties. An analysis of the results specifically for the four counties may be obtained from the *Area Labor Force Analysis for Beckham, Custer, Roger Mills and Washita Counties*. If you want to view this report on the Internet, you will need Adobe Acrobat Reader® software (it's free on the Internet) to view it, and the Internet address for the report is:



www.swosu.edu/academic/bdc/labor.pdf

This study focuses on Elk City workers and the underemployed. Furthermore, it demonstrates that a pool of labor exists among workers who are employed but do not fully utilize their education and skills - these workers are called the *underemployed*. In this study, underemployed workers meet three conditions: 1) they feel they are underutilized in their present employment, 2) they have training or education that is not required by their current job, and 3) they would change jobs in order to better utilize their skills and education. Approximately 11.9% of workers in the four counties fit the underemployed criteria.

It may be helpful to define several terms used in the body of the report so that there is no confusion.

Elk City worker - Any adult who lives in Elk City and is employed is an Elk City worker. Although the individual resides in Elk City, he/she may be employed anywhere - this includes cities/towns outside of Elk City and even outside of the four counties.

Non-Elk City worker - Within the four counties, any adult who is employed but lives outside of Elk City. Although this individual resides elsewhere, he/she may even be employed within Elk City.

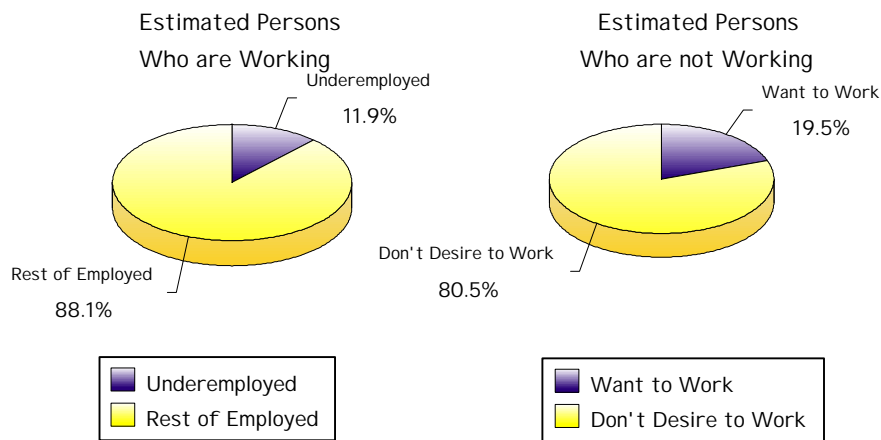
Underemployed - Any employed adult within the four counties that meets the above definition of the underemployed.

Rest of Employed - Any employed adult within the four counties that is not underemployed.

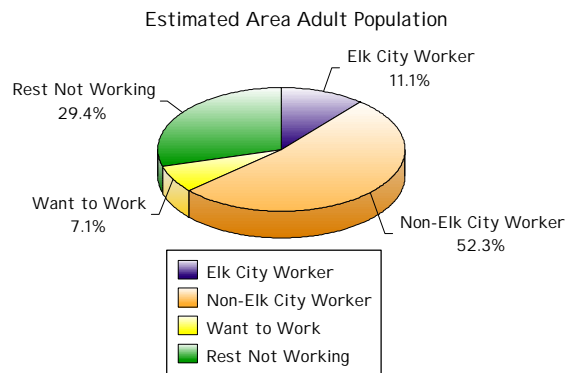
Want to Work - Those people currently without a job in the four counties, but want to work.

Labor Force

Approximately 3,259 persons in the target area are looking for work that better utilizes their skills and education - these people are the underemployed. In addition, there are 3,080 persons who are currently not working but want to work in the four county area. As can be seen from the first two pie charts, the underemployed constitute an estimated 11.9% of the employed people, and the people who want to work constitute 19.5% of the people who are not working. Together the underemployed and the job seekers make up an estimated 6,339 adults in the four counties, and when taken as a percentage, they constitute 20.8% of the labor force (the labor force is estimated to be 30,505 people). Since about one in five adults in the four county region are either underemployed or want to work, a sizeable labor supply is available for potential employment. In Elk City, it is estimated that 9.8% of it's workers are underemployed which translates into 470 people. Outside of Elk City the percentage is 12.3% and the underemployed number 2,789.



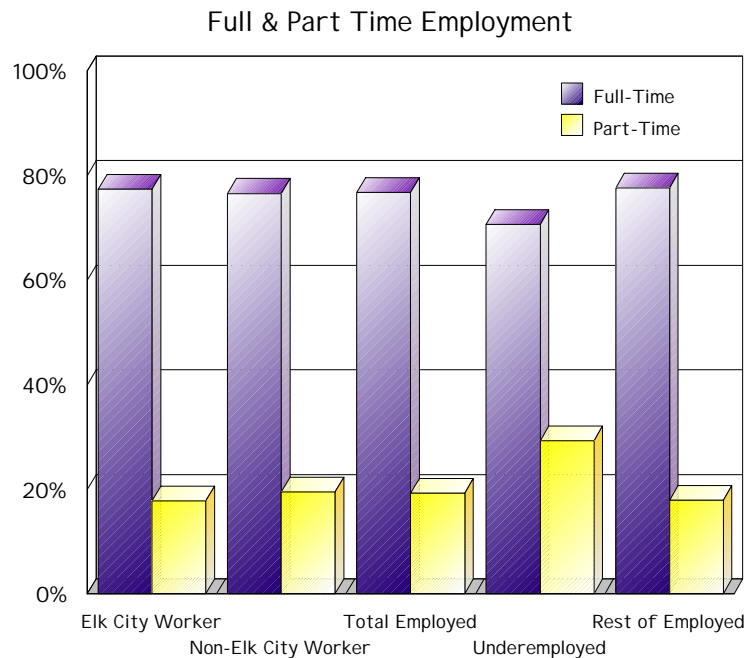
The third pie chart depicts the adult population in Beckham, Custer, Roger Mills and Washita counties. As can be seen, 29.4% of the adult population is not working and does not desire to work. These people, identified as “rest not working” in the graph, may be retired, be raising children at home, etc. and are not counted in the area’s labor force. Elk City workers, defined as people who live in Elk City but may be employed anywhere, constitute 11.1% of the area’s adult population and are one-and-a-half times as large a group as those people who are not employed but want to work. It is estimated that there are 4,798 adults who are employed (in any city/town) and live in Elk City. So a significant proportion of the area’s adult population may be classified as Elk City workers. The non-Elk City workers, defined as those people who live outside Elk City and are employed anywhere (they may even work in Elk City), make up 52.3% of the adult population in the four counties. The estimate for the size of the adult population that may be classified as non-Elk City worker is 22,626 people.



As can be seen from the accompanying table, a higher proportion of Elk City workers (90.0%) work in the same county as they reside when compared to non-Elk City workers (84.1%). This means that Elk City workers are slightly less likely to commute to work outside their county of residence when compared to non-Elk City workers. And as for the four county area as a whole, 85.1% of the total employed work in the same county as they reside. So almost 1 in 7 workers in the four counties commutes to work outside their county of residence.

Work in same County as Reside	Percent
Elk City Worker	90.0%
Non-Elk City Worker	84.1%
Total Employed	85.1%
Underemployed	82.8%
Rest of Employed	85.4%

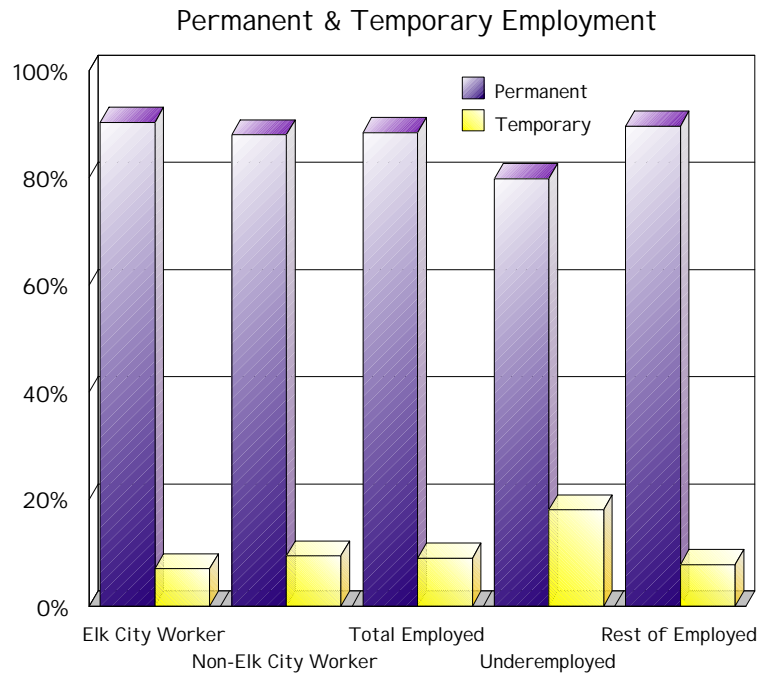
Among the groups presented in the accompanying chart, Elk City workers are slightly more likely to have full-time employment. As a percentage, 77.4% of the Elk City workers have full-time employment, whereas 76.6% of the non-Elk City workers are employed full-time. The proportions of Elk City workers and non-Elk City workers who work full-time translates into 3,714 and 17,332 people respectively. And for the four county area as a whole, 76.8% have full-time employment. As might be expected, the underemployed (people who are not fully utilizing their skills/education) are least likely to have full-time employment (70.7%). Proportions of people who work part-time are fairly equal for Elk City workers (17.8%) and non-Elk City workers (19.5%), while the underemployed in the four counties are most likely to have part-time employment (29.3%).



A noticeable deviation from the four counties occurs in Elk City when the percentages of part-time workers who desire full-time work is compared. As can be seen, a very high 53.9% (461 people) of Elk City workers who have part-time jobs want a full-time job while for non-Elk City workers, this same percentage is only 31.8% (1,403 people). And among all the part-time employed people in Beckham, Custer, Roger Mills and Washita counties, 35.4% want full-time work. Among the underemployed, 51.9% who have part-time jobs desire full-time work. So a higher proportion of Elk City part-time workers would desire full-time work when compared even to the underemployed in the four counties as a whole.

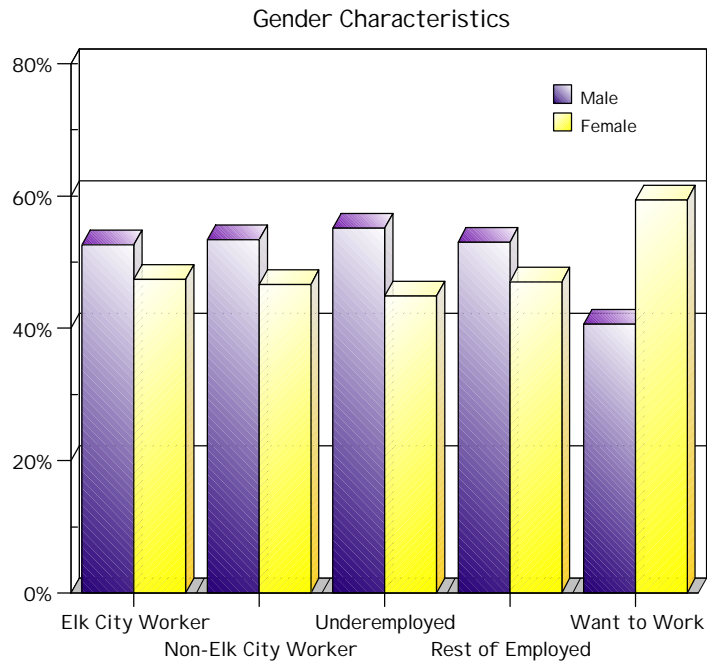
Percent of Part-Time Workers Who Desire Full-Time Work	Percent
Elk City Worker	53.9%
Non-Elk City Worker	31.8%
Total Employed	35.4%
Underemployed	51.9%
Rest of Employed	31.3%

As with full and part-time labor force characteristics, Elk City workers are more likely to have permanent positions (90.3%) when compared to non-Elk City workers (88.0%). Workers with temporary positions comprise 7.0% of all Elk City workers and 9.4% of all non-Elk City workers. Again, the underemployed would be expected to show the lowest proportion of people who have permanent positions and the highest proportion of people who have temporary positions - and in fact this is the case. Of all the underemployed in the area, 79.8% have permanent positions and 18.0% have temporary positions. So the average underemployed worker in the area is more than twice as likely to have a temporary job when compared to the average Elk City worker. Finally for the proportions, 88.4% of all the employed people in the area have permanent jobs and 9.0% have temporary jobs. From the proportions, it is estimated that 4,333 Elk City workers and 19,911 non-Elk City workers have permanent employment. Temporary workers number 336 for Elk City workers and 2,127 for non-Elk City workers, and temporary workers who want permanent work are estimated to number 211 Elk City workers and 1,244 non-Elk City workers.

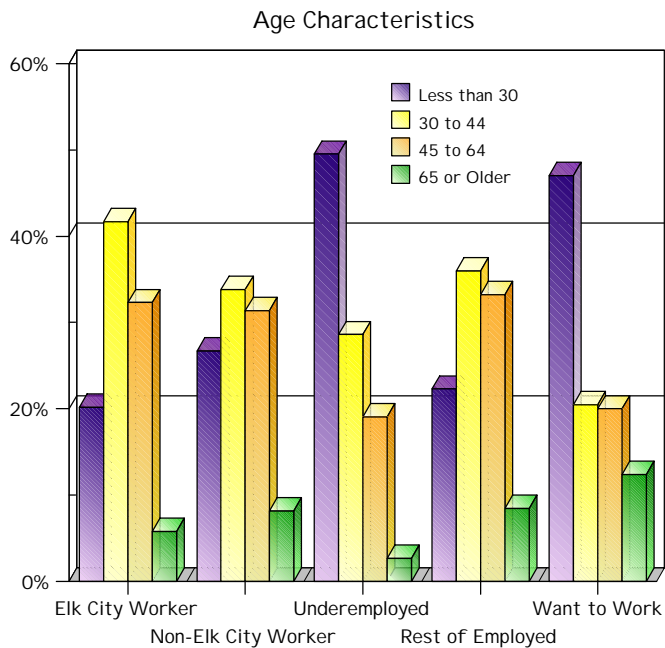


General Characteristics

Nearly equal gender proportions exist among the Elk City workers and non-Elk City workers. Males constitute 52.6% of all the Elk City workers with females comprising the remaining 47.4%. For non-Elk City workers, the proportions are 53.4% for males and 46.6% for females. The most striking differences in the four county area exist among those people who are employed (underemployed plus rest of employed) and those people who presently do not have a job but want to work. As is evident from the accompanying graph, males make up the majority of the employed people in the four counties (55.1% of underemployed and 53.0% of the rest of employed are males with remainder females) while females make up the majority of the people who want to work (59.4% are females with remainder being males).

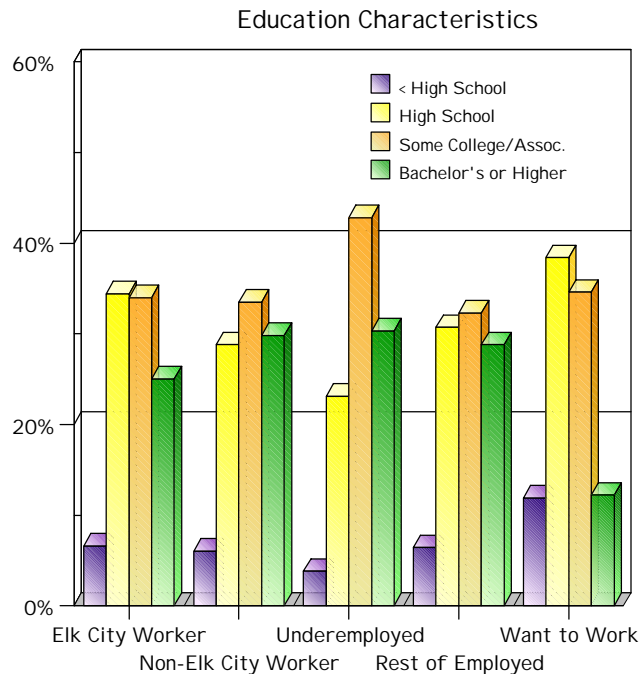


Moving on to age characteristics, it is clear that the less than 30 age group makes up a substantial proportion of the underemployed and people who want to work. For Elk City workers, however, this age group is less than half the size in percentage terms when compared with the underemployed and people who want to work. To compare Elk City workers with non-Elk City workers, it can be seen graphically that two age groups share similar proportions while the other two have dissimilar proportions. The less than 30 age group constitutes 26.7% of the non-Elk City workers and only 20.2% of the Elk City workers. The relative importance of the two age groups switches for the 30 to 44 age group with 41.7% of Elk City workers and 33.8% of non-Elk City workers being in this age group. The 45 to 64 age group has similar proportions for the Elk City workers (32.3%) and non-Elk City workers (31.4%), as does the 65 or Older age group with 5.8% of Elk City workers and 8.2% of the non-Elk City workers being in this age group. Comparatively, the age distribution for the Elk City worker is more similar to the rest of employed in the four county area than the underemployed, so this might indicate that Elk City workers are less likely to be underemployed.



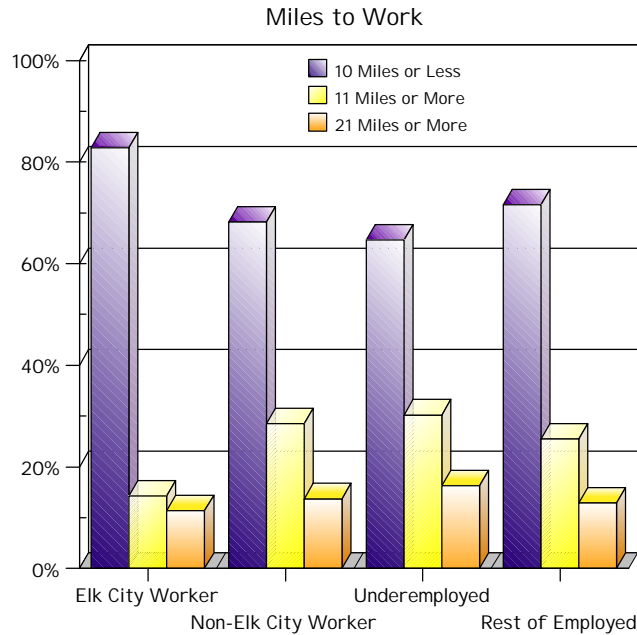
The following education statistics report the highest level of education achieved by each of the respective groups, and in the education graph, the ‘some college/assoc.’ category reports the percentage of the relevant group that have either some college education but no degree or an Associate’s degree. Likewise, the ‘Bachelor’s or higher’ category reports the percentage of the relevant group that has at least a Bachelor’s degree.

As can be seen from the graph, the education statistics show that relatively high, almost equal proportions of Elk City workers have a high school education (34.4%) or some college/Associate’s education (34.0%). The proportion drops off noticeably for Elk City workers who have at least a Bachelor’s degree (25.0%). Compared with Elk City workers, a higher proportion of non-Elk City workers have at least a Bachelor’s degree (29.8%), a lower proportion have a high school education (28.8%), and an almost equal proportion have some college/Associate’s education (34.1%). As might be expected, the highest proportion of people who have less than a high school education was observed among the people who do not have a job but want to work (11.9%), while 6.6% of Elk City workers and 6.0% of non-Elk City workers have less than a high school education. Additional statistics for the four county area show that almost equal proportions of the underemployed (30.3%) and rest of employed (28.8%) have at least a Bachelor’s degree, but the underemployed (42.8%) are much more likely to be in the ‘some college/assoc.’ category than the rest of employed (32.3%).

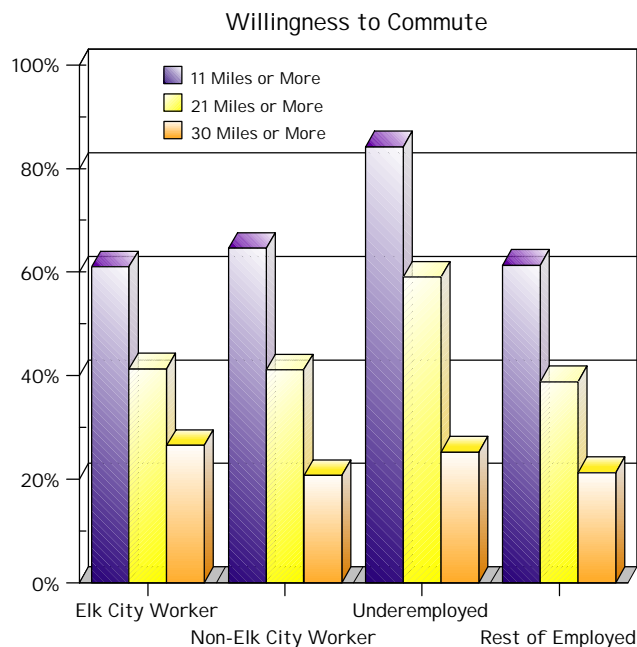


Journey to Work

The majority of the employed people in the four county area commute less than 10 miles to work. And as can be seen in the accompanying graph, Elk City workers usually have to commute shorter distances than non-Elk City workers. More than four out of every five (82.8%) Elk City workers commute less than 10 miles to work while only 68.2% of non-Elk City workers are able to commute the shortest range of distances measured in the graph. As for commuting longer distances, non-Elk City workers (28.5%) are twice as likely as Elk City workers (14.3%) to have to commute more than 11 miles to work. However, the proportions are nearly equal for the '21 miles or more' distances since 11.4% of Elk City workers and 13.7% of non-Elk City workers are in this category. From the proportions, it is estimated that 686 Elk City workers and 6,448 non-Elk City workers commute 11 miles or more to work. Similarly, the numbers for commuting 21 miles or more to work are 547 for Elk City workers and 3,100 for non-Elk City workers.



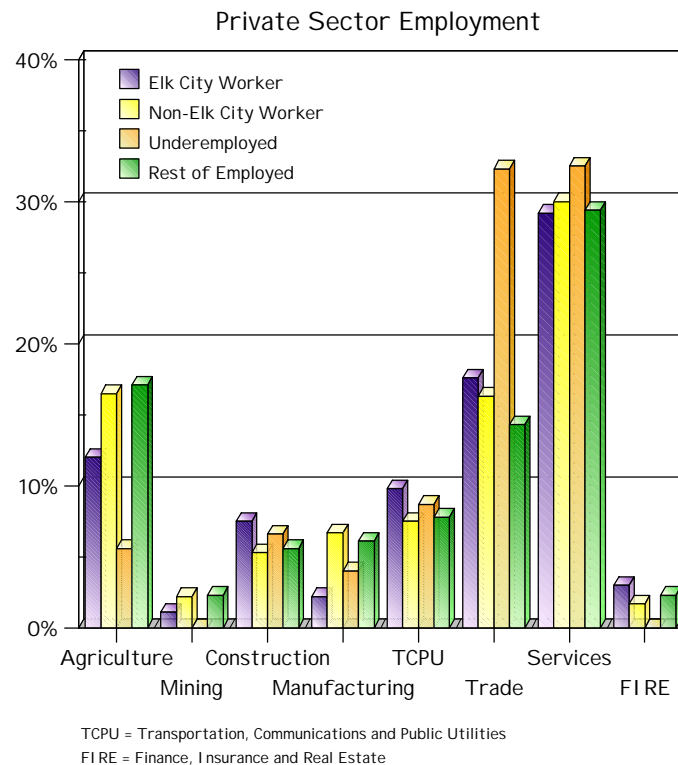
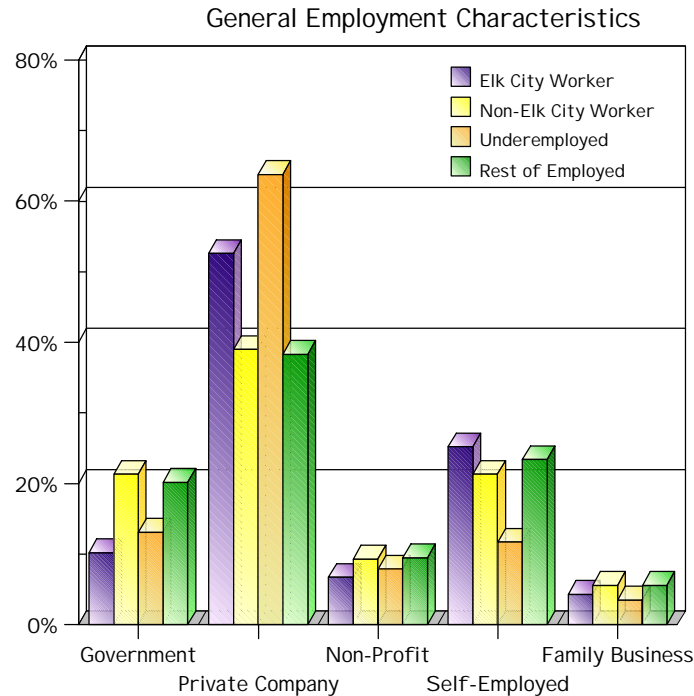
As opposed to actual miles commuted to work, the next graph relates how far the area's employed are willing to commute to work. Immediately noticeable, the more of the area's underemployed would be willing to commute longer distances for each of the ranges measured in the graph. From '11 miles or more' to '30 miles or more', the percentages for the underemployed are 84.2%, 59.0%, and 25.2% respectively. Comparatively these same percentages for Elk City workers are 61.0%, 41.3% and 26.5% - and 64.6%, 41.1% and 20.7% for non-Elk City workers. As for willingness to commute, it is estimated that 2,927 Elk City workers (14,616 non-Elk City workers) would commute 11 miles or more to work, and that 1,982 Elk City workers (9,299 non-Elk City workers) would commute 21 miles or more to work, and that 1,271 Elk City (4,684 non-Elk City workers) would commute 30 miles or more to work. So under the right conditions, people would generally be willing to commute longer distances than they currently commute to work.



Employment

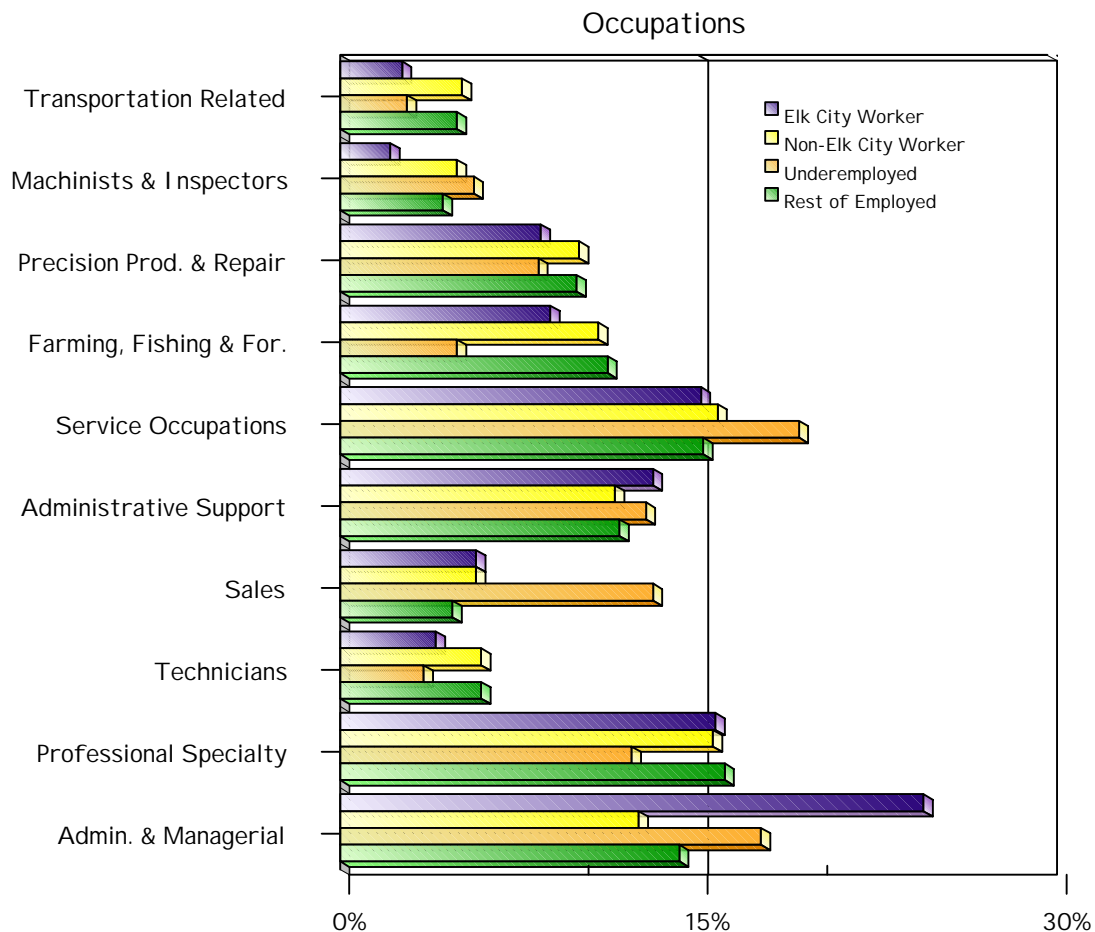
Employment for each of the groups is concentrated in the private companies. The area's underemployed in particular have a high concentration of employment in private companies (63.8%) with the Elk City proportion also relatively large (52.6%) and each of the two remaining proportions being about two-thirds as large as the underemployed proportion (non-Elk City workers, 39.0%; area's rest of employed, 38.3%). Government employment is also a fairly important sector as far as employment is concerned for non-Elk City workers (21.3%) and the area's rest of employed (20.2%), but less important for the underemployed (13.1%) and Elk City workers (10.2%). Additionally, while government employment and self-employment tied for the second largest employment proportion for non-Elk City workers at 21.3%, self-employment is relatively more important for the Elk City workers since 25.2% of this group is self-employed. The area's rest of employed (23.4%) also show a large percentage of self-employed and the area's underemployed a smaller proportion (11.7%).

Whereas the previous graph reported general sector employment, this graph reports employment in the private sector only. Other than private sector employment being concentrated in the services sector (services include legal, health, auto repair, etc.), the most noticeable characteristic may be that the area's underemployed are much more likely to be employed in



the trade (wholesale or retail) sector. The employment proportions for each of the groups in the service sector is 29.2% for Elk City workers, 30.0% for non-Elk City workers, 32.5% for the area's underemployed and 29.4% for the area's rest of employed. For trade employment, 32.3% of the area's underemployed are employed in the trade sector with the same proportions for the other three groups being about half of that number - Elk City workers (17.6%), non-Elk City workers (16.3%) and the area's rest of employed (14.3%). Agriculture employment also makes up a large percentage of non-Elk City workers (16.5%) and the area's rest of employed (17.1%) but lower proportions are noticed for the Elk City workers (12.0%) and especially the area's underemployed (5.6%). So while about 1 in 6 of the non-Clinton workers and the area's rest of employed are employed in the agricultural sector, only about 1 in 18 underemployed workers are.

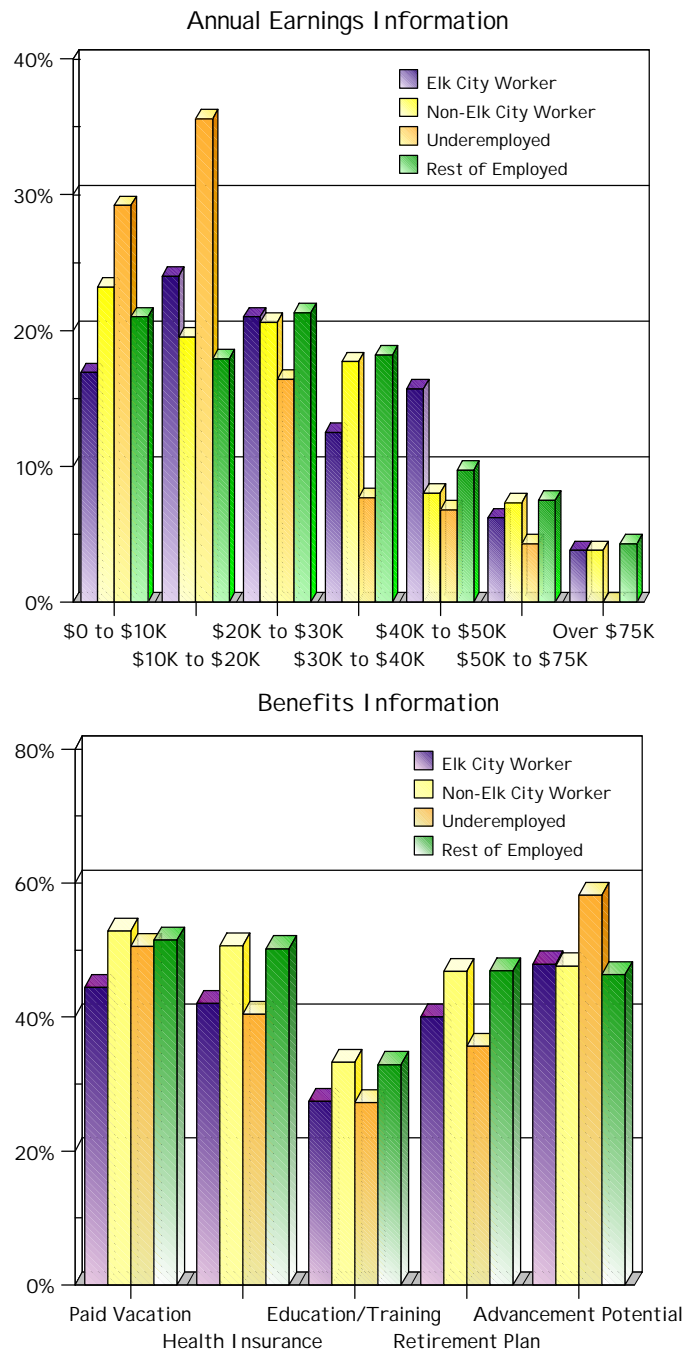
Occupations held by each of the groups was also measured, and in most instances the relative sizes of the proportions were comparable for each of the groups. There were however some notable exceptions. One of which was noticed in the 'farming, fishing & forestry' occupations. In these occupations are 10.8% of the non-Elk City workers and 11.2% of the area's rest of employed but only 4.9% of the area's underemployed (8.8% of Elk City workers). Another large disparity in comparing employment proportions occurred in the sales occupations. The area's underemployed have the largest proportion in sales occupations (13.1%) while only 5.7% of both Elk City workers and non-Elk City workers are employed in sales. Lastly for this graph, it can easily be observed that a much larger percentage of Elk City workers (24.4%) are employed in 'executive, administrative or managerial' jobs when compared to non-Elk City workers (12.5%) and the area's rest of employed (14.2%) - 17.6% of the area's underemployed are employed in these type of positions.



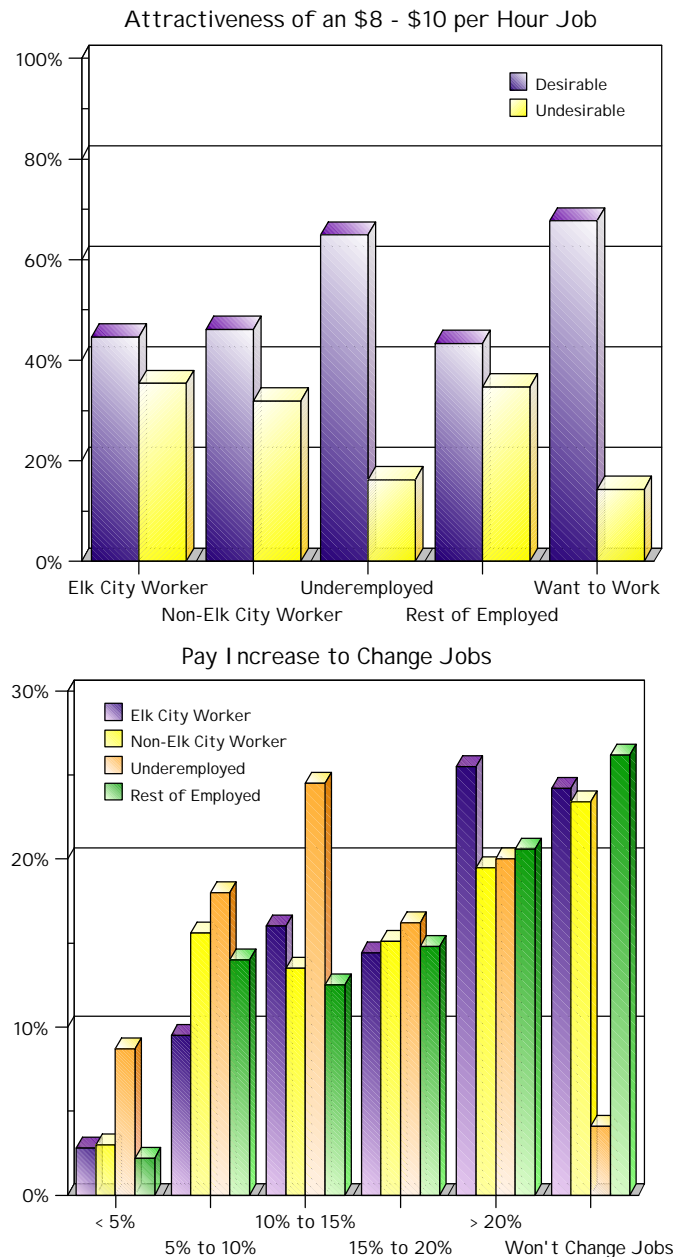
Money & Earnings

The largest proportion of people who earn less than \$10,000 per year is noticed among the area's underemployed workers (29.2%). Comparably, 23.2% of non-Elk City workers, 21.0% of the area's rest of employed and only 16.9% of Elk City workers earn less than \$10,000 per year. Furthermore, the area's underemployed (35.6%) by far have the largest proportion of people earning between \$10,000 and \$20,000 per year, which means that almost two-thirds (64.8%) of the underemployed earn less than \$20,000 per year. Comparably, the percentages earning between \$10,000 and \$20,000 per year for Elk City workers, non-Elk City workers and the area's rest of employed are 24.0%, 19.5% and 17.9% respectively. After the \$10,000 to \$20,000 range, the proportions for the underemployed drops off considerably and consistently remains below the proportions of the other three groups in each of the remaining earnings ranges. As for numbers, it is estimated that 1,962 Elk City workers (40.9%) and 9,661 non-Elk City workers (42.7%) earn less than \$20,000 per year. In the \$20,000 to \$40,000 earnings range are 1,607 Elk City workers (33.5%) and 8,666 non-Elk City workers (38.3%). And earning more than \$40,000 per year are 1,229 Elk City workers (25.6%) and 4,299 non-Elk City workers (19.0%).

The next graph measures benefits provided in the area for full-time workers only, and as can be seen, substantial percentages of each of the groups are provided benefits in their current jobs. However, one surprising note would be that Elk City workers are less likely to receive four of the five measured benefits than non-Elk City workers. Of the benefits measured, the benefit least likely to be present is the education/training benefit with 33.2% of non-Elk City workers, 27.4% of Elk City workers, 27.2% of the area's underemployed, and 32.9% of the rest of employed receiving this benefit. Also noticeable from the graph, higher percentages of Elk City workers (47.9%) and the underemployed (58.2%) have advancement potential when compared to non-Clinton workers (47.6%) and the area's rest of employed (46.3%).



A higher proportion of Elk City workers (44.6% vs. 35.4%), non-Elk City workers (46.1% vs. 31.9%) and the area's rest of employed (43.3% vs. 34.7%) find that a job that pays \$8 to \$10 per hour as attractive. It should be noted that respondents to this question in the survey could answer that an \$8 to \$10 per hour job was desirable, undesirable or neither desirable nor undesirable - so the percentages in the graph will not equal 100%. The proportions of Elk City workers and non-Elk City workers who stated that an \$8 to \$10 per hour job was attractive translates into 2,149 and 10,440 people respectively. So approximately 12,589 employed people in the four county area believe that a job that pays \$8 to \$10 per hour is desirable. As opposed to the three previous groups, a very strong majority of the area's underemployed and people who want to work thought a job that pays \$8 to \$10 per hour was desirable. Among the underemployed, 64.9% (2,115 underemployed people in the four counties) stated that such a job was attractive, and among the people who want to work, 67.7% (2,085 people in the four counties) stated that the job was attractive. As previously mentioned, approximately 12,589 employed people in the four counties found the job attractive, and taken with the 2,085 people who aren't currently employed but want to work, that means that about 14,674 people in the four counties find such a job attractive. Given that the labor force is about 30,505 people in the four counties, that means about 48% of the labor force finds the \$8 to \$10 per hour job attractive.¹



The last graph in the Elk City Area Labor Survey relates the pay increase required to induce an employed person to change jobs. Generally, the area's underemployed would accept lower pay increases than the other three groups. Whereas over half of the underemployed (51.2%) would change jobs for a pay increase of 15% or less, only 32.1% of non-Elk City workers (7,243 people), 28.7% of the area's rest of employed and 28.3% of Elk City workers (1,338 people) would do so. Numerically, 8,581 area workers would change jobs for a pay increase of 15% or less. Also of note, 24.2% of Elk City workers (1,161 people) and 23.4% of non-Elk City workers (5,294 people) would not change jobs for any increase.

¹ For a 40 hour week and working 52 weeks per year, an \$8/hour job pays \$16,640 per year. Likewise given the same conditions, a \$10/hour job pays \$20,800 per year.

Conclusions

Labor Force

A significant pool of labor exists among workers who are not fully utilizing their education and/or skills. The survey reports that 11.9% of the employed workforce is underemployed, and it is estimated that 3,259 people in the four county area fall into the underemployed category.

Another pool of labor exists among those not working who desire work. The survey reports that 19.5% of those people not working, want to work. It is estimated that 3,080 people in the four county area fall into this category. However, these persons typically are less skilled and not as well educated.

Together the underemployed and people who want to work are estimated to number 6,339 people in the four counties. Since the labor force is about 30,500 people, this translates into 20.8% of the four county labor force.

Specifically for Elk City, it is estimated that Elk City workers total 4,798 people and thereby constitute 11.1% of the area's adult population. Additionally, 9.8% of Elk City workers are underemployed and are therefore estimated to number 470 people.

The majority of Elk City workers have full-time employment (3,714 people), and even more have permanent positions (4,333 people). Part-time workers are also a sizeable group (854 people) and 53.9% of them desire full-time work. Although temporary job holders are a smaller group (336 people), they also represent a pool of labor from which to draw.

General Characteristics

Males constitute larger proportions of the area's underemployed (55.1% vs. 44.9% females) and rest of employed (53.0% vs. 47.0% females), while females make up a larger percentage of those who want to work but don't have a job (59.4% vs. 40.6% males). Elk City workers show the same characteristics as employed people in the four counties since a majority are male (52.6% vs. 47.4% female).

In the four counties, those who are underemployed (49.5%) or want to work (47.0%) are more than twice as likely to be less than thirty years of age when compared to the area's rest of employed (22.3%) or Elk City workers (20.2%). So the younger groups are more likely to be underemployed or want to work, but their presence also presents an opportunity for growth within the area as well.

Given that one of the three requirements for being listed as underemployed is that a worker has training/education that is not required in their current job, it is not too surprising that this group has the highest proportions of people who have at least some college/Associate's degree (42.8%) or a Bachelor's degree (30.3%). Comparably, these percentages for Elk City workers are 34.0% and 25.0% respectively, which means that there is an educated pool of labor in the area (the underemployed) that is ready to change jobs to better utilize their training/education.

Journey to Work

Generally the area's underemployed not only commute longer distances to work, they are also more willing to commute longer distances to work when compared to the area's rest of employed. It is estimated that 531 underemployed people commute more than 21 miles to work. Similarly, 547 Elk City workers commute 21 miles or more to work.

Compared with the number of miles actually commuted to work, a greater number of people would be *willing* to commute longer distances to work. Elk City workers who would be willing to commute 21 miles or more to work number 1,982 people (as opposed to the 547 that actually commute that distance), and this same number for the area's underemployed is 1,923 people. Non-Elk City workers number 9,299 people for this distance, which represents a large group of people for potential employment in the Elk City area.

Employment

The service sector, which is a labor intensive sector, employs the greatest proportions of people in the area with the agriculture and trade sectors also employing large percentages of people. Employed in these sectors are a wide variety of occupations ranging from administrative & managerial positions to machinist & inspector positions.

Money & Earnings

A majority of the area's underemployed (64.9% or 2,115 people) view an \$8 to \$10 per hour job as attractive. Given that the underemployed are willing to commute longer distances and are highly educated, this presents an opportunity to attract the underemployed for employment.

In the four county area as a whole, 14,674 people who are either employed or want to work think that a job that pays \$8 to \$10 per hour is attractive. Elk City workers who find this type of job desirable number 2,149 people, and non-Elk City workers likewise number 10,440 people.

A majority of the area's underemployed (51.2% or 1,667 people) would change jobs for a pay increase of 15% or less. And for the four county area, 8,581 employed people (both the underemployed and rest of employed) would change jobs for a pay increase of 15% or less. For Elk City, 1,338 Elk City workers would change jobs given the previously mentioned pay increase.