

Area Labor Force Analysis for Beckham, Custer, Roger Mills, & Washita Counties

Summary Report
for the

Business Development Center
Southwestern Oklahoma State University
and
Oklahoma Department of Commerce

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Sponsored by the Business Development Center at Southwestern Oklahoma State University and the Oklahoma Department of Commerce, this study examines the availability of labor in Beckham, Custer, Roger Mills and Washita counties. Data were collected by telephone from randomly selected adults between April and May 1999. The results presented in this report are based on 1,003 interviews targeted to residents of the respective counties. A breakdown of the interviews are presented in the table below.

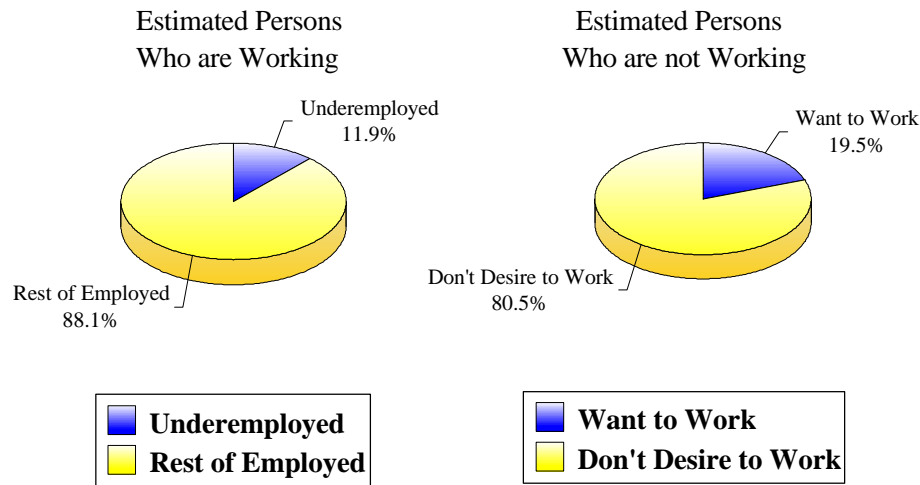
County	Interviews	Percent
Beckham	297	29.6
Custer	399	39.8
Roger Mills	62	6.2
Washita	245	24.4
<i>Total</i>	<i>1,003</i>	<i>100.0</i>

This study demonstrates that a pool of labor exists among workers who are employed but do not fully utilize their education and skills. We call these workers 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 percent of workers in the area fit the underemployed criteria.

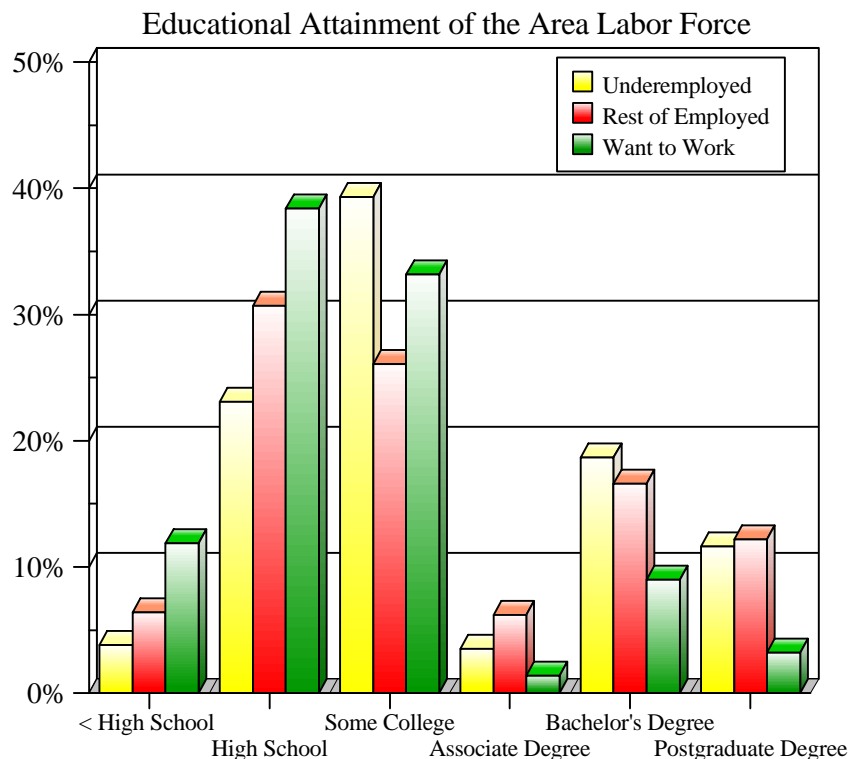
Many of the underemployed are searching for improved job situations. These workers exhibit a variety of occupations and skills. The results show that the median underemployed worker is willing to commute 20 miles or more for a job that pays 10 percent to 15 percent more than current wages.

A smaller pool of labor exists among those who are without work but who want to work. These persons include retirees who wish to return to work for a variety of reasons. In general, those who want to work are less skilled and have less education than does the average worker in the area.

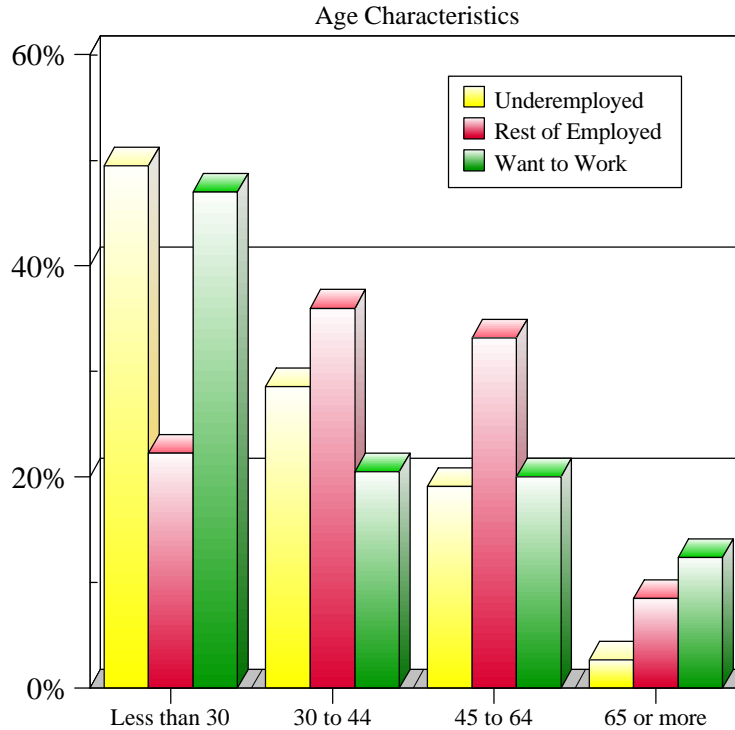
Approximately 3,259 persons in the target area are looking for work that better utilizes their skills and education. In addition, there are 3,080 persons who are currently not working but want to work. As can be seen from the pie charts, the underemployed constitute an estimated 11.9% of the employed people, and together with the 19.5% of those who aren't currently working but want to work, a sizeable supply of labor exists in the four county region. Together the underemployed and the job seekers make up an estimated 6,339 adults in the four counties. When taken as a percentage, they constitute 20.8% of the labor force $((\text{underemployed} + \text{job seekers})/(\text{employed} + \text{job seekers}))$.



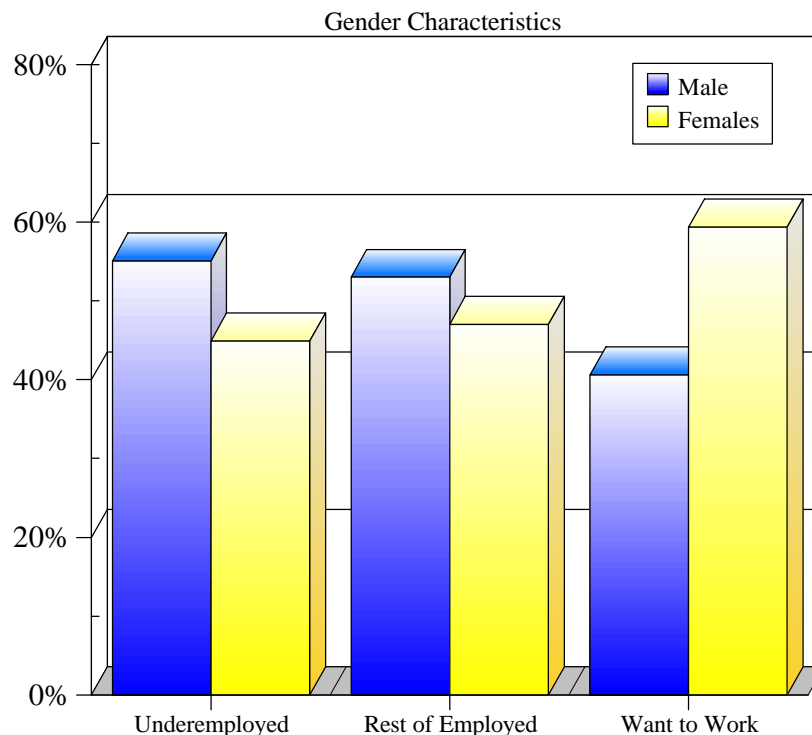
Proportionately, the rest of employed are most likely to have a degree with 35% of this group having at least an Associate's degree. The proportion is slightly lower for the underemployed at 33.8%, but for those who are not working but want to work, the proportion falls to 13.6%. Turning to the other end of the education spectrum, 12% of the people who want to work have less than a high school education - which is almost double the 6.4% of the rest of employed group, and more than triple the 3.8% of the underemployed who do not have a complete high school education.



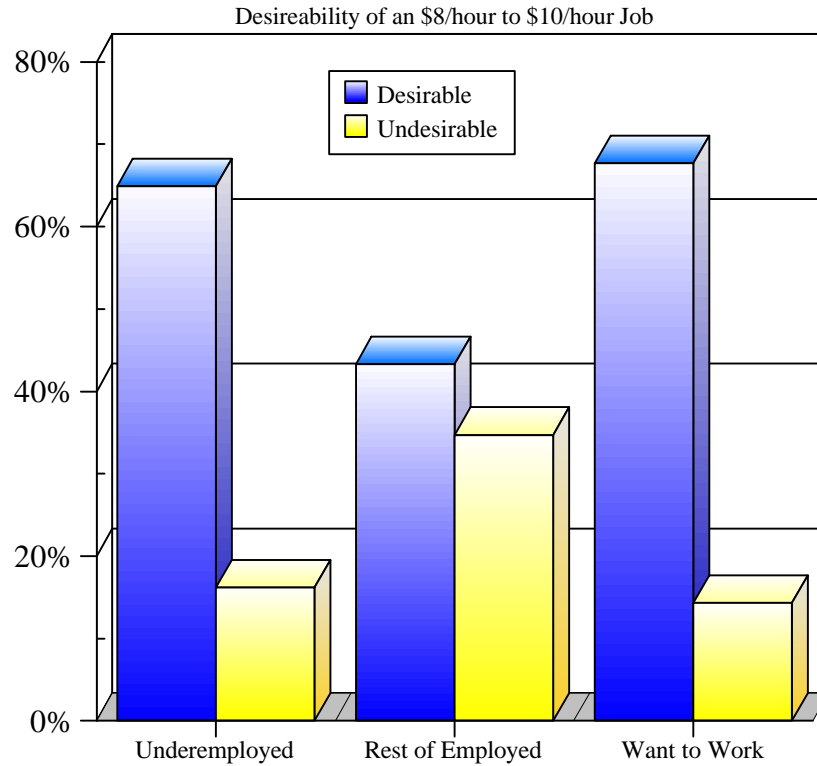
Nearly half of both underemployed workers and persons without a job but who want to work are under thirty years of age. The less than thirty age group makes up the largest proportion of both the underemployed and those who want to work at 49.5% and 47.0% respectively. And for those who want to work, the youngest age division (less than 30) is more than double the proportions for the other three age groups. However, the less than 30 age group accounts for only 22.3% of the rest of employed group and also has the distinction of being the second smallest age division. The two largest age groups for the rest of employed are the 30 to 44 group and the 45 to 64 age group. Proportionately, these age divisions account for 36.0% and 33.2% of the rest of employed group respectively. Also of note with this graph, the largest proportion of older people (65 or more) are those who want to work at 12.4% of that group. This same age division accounts for 8.5% of the rest of employed and only 2.7% of the underemployed.



Noticeable gender differences exist among the three divisions of the labor force in the four county area. Among the underemployed, 55.1% of that group is male and 44.9% female. For the rest of employed group, 53.0% are male which means that 47.0% are female. And among those who want to work, 40.6% are male and 59.4% are female. So, those people currently employed (underemployed and rest of employed) are more likely to be male while those people who are unemployed (want to work) are more likely to be female in Beckham, Custer, Roger Mills and Washita counties.

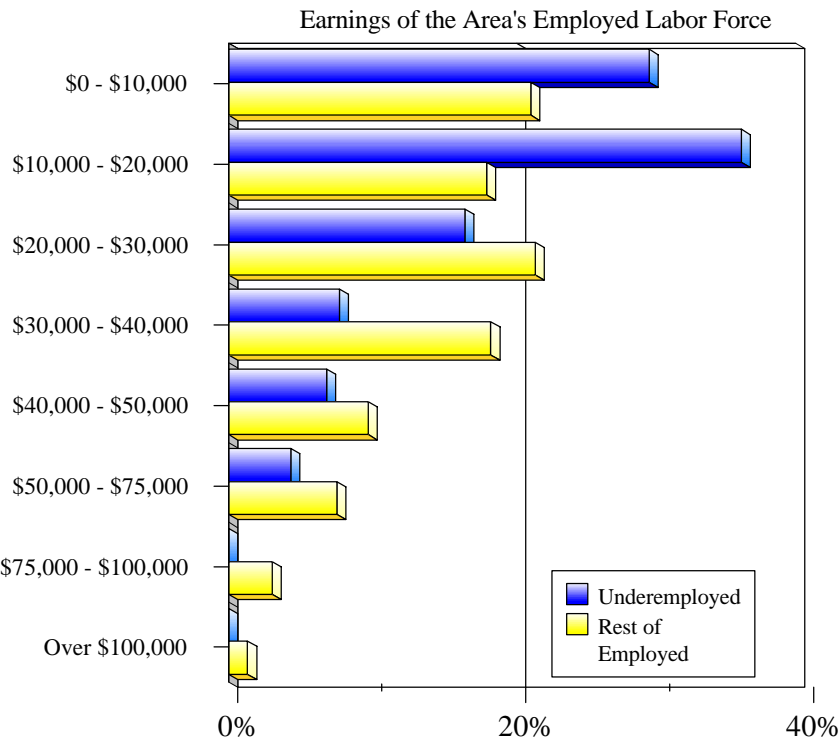


An employment opportunity that pays from \$8 per hour to \$10 per hour is viewed as desirable by 64.9% of the underemployed and by 43.3% of the rest of the employed. Sixty-eight percent of persons who are without work but want to work view such a job as desirable. So about two in every three people in the underemployed and want to work groups would consider such a job desirable. From the estimate of the size of the four county labor force, it will be recalled that

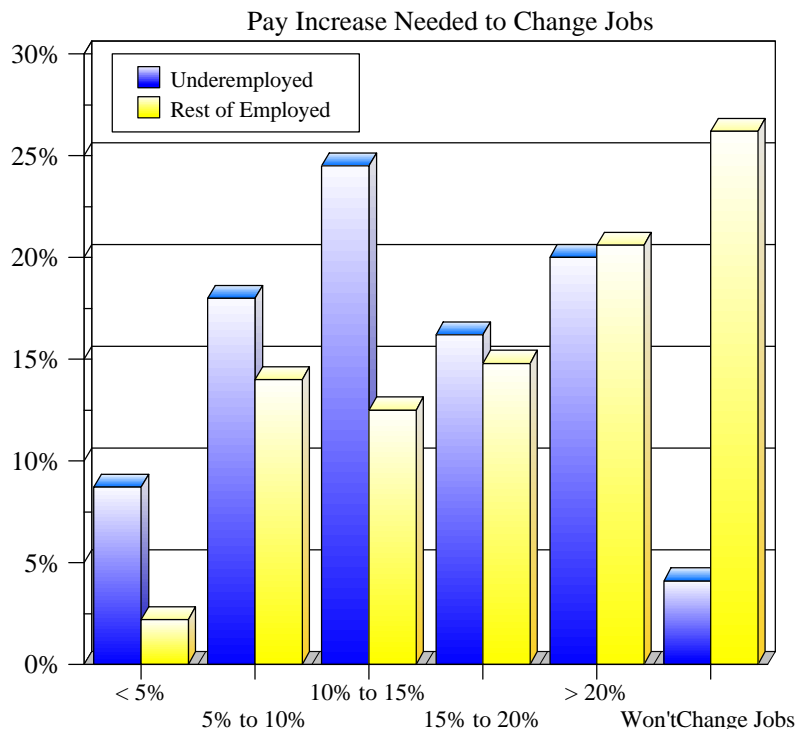


there are about 6,339 adults in the underemployed and want to work groups. This means about 4,226 people who are most likely searching for jobs would consider such a job as desirable. Additionally to further break these numbers down, it is estimated that over 2,100 of the underemployed workers in the four county area view such a job as desirable and almost 2,100 of those who want work also view a job that pays eight to ten dollars per hour as desirable. And as for the rest of the employed group, the 43.3% that view an \$8-\$10/hour job as desirable translates into over 10,400 people, so taken together approximately 14,600 people in the four county area view this type of job desirable.

The typical (median) underemployed worker earns between \$10,000 and \$20,000 a year and would change jobs for a pay increase of between 10 percent and 15 percent. As can be seen from the below graph, a large proportion (64.8%) of underemployed workers earn between \$0-\$20,000. As two separate income divisions, 29.2% of the underemployed earn between \$0 and \$10,000 per year and 35.6% earn between \$10,000 and \$20,000. After this second income division earnings for the underemployed drop off considerably. The \$20,000 - \$30,000 range contains 16.4% of the underemployed, and the remaining five earnings divisions account for 18.8% of the underemployed. As for the rest of employed, earnings are fairly evenly distributed over the first four groupings. In order from the \$0-\$10,000 range to the \$30,000-\$40,000 range, the proportions are 21.0%, 17.9%, 21.3% and 18.2%. Whereas 64.8% of the underemployed had earnings in the lowest two groupings, only 38.9% of the rest of employed were in these two categories in the four counties. Additionally, 39.7% of the rest of employed had earnings over \$40,000 per year.

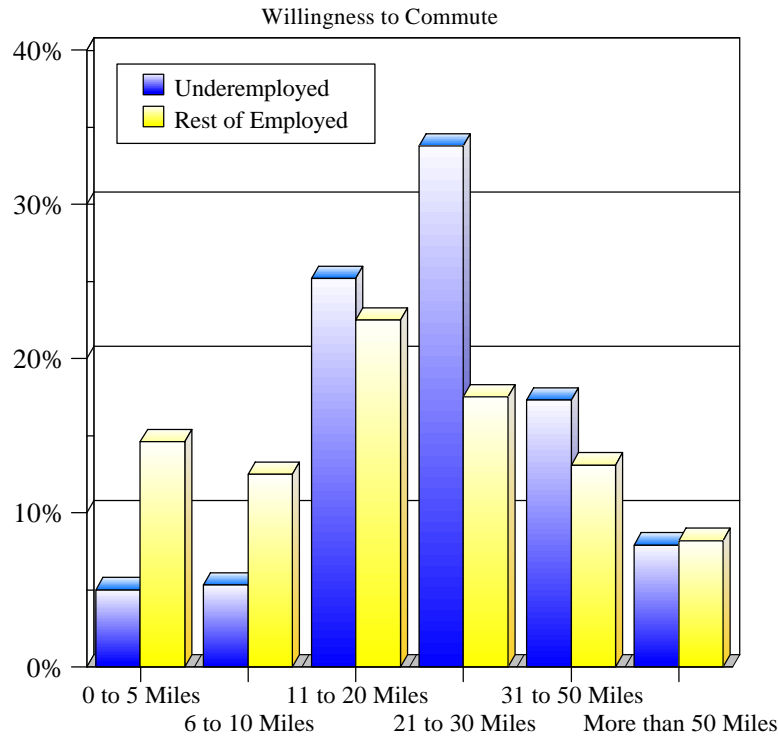


The underemployed are much more likely to change jobs for a smaller pay increase than those who are not underemployed. A little over fifty percent of underemployed workers would change jobs for a pay increase less than or equal to fifteen percent, compared with about twenty-nine percent for the rest of employed. Also, 26.2% of the rest of employed workers are not interested in changing jobs compared with 4.1% of the underemployed. Which shows that the underemployed are much more willing to change jobs.



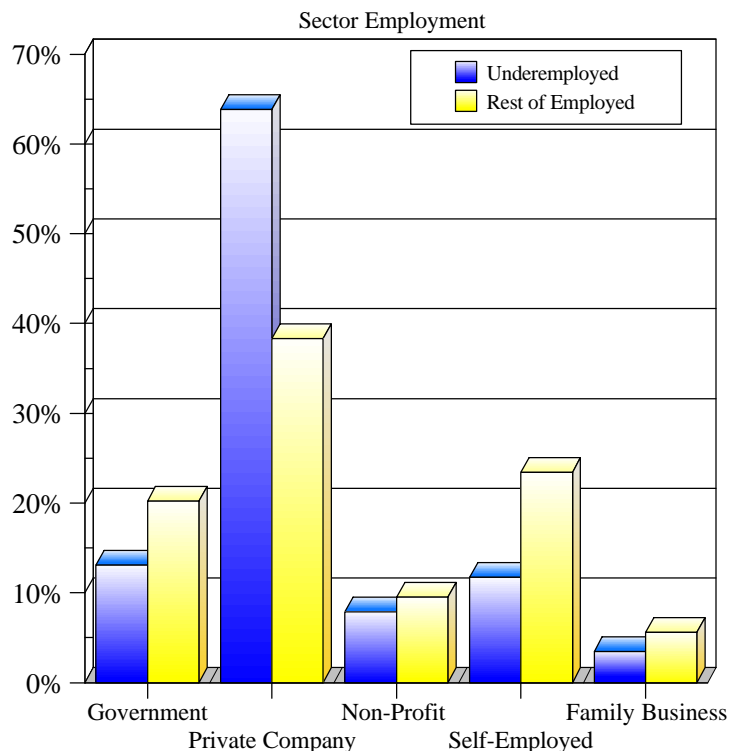
As can be seen from the graph, the underemployed are usually more willing to commute longer distances to work when compared with the rest of employed.

The proportion of people not willing to commute more than ten miles to work is 10.3% for the underemployed and 27.1% for the rest of employed. Nearly equal proportions of each group is willing to commute 11 to 20 miles to work with 22.5% of the rest of employed and 25.2% of the underemployed willing to commute this distance. While 38.8% of the rest of employed workers would commute more than 21 miles to work, 59.0% of the underemployed would do so. However for the extreme distances (more than 50 miles), a slightly larger proportion (8.2%) of the rest of employed would be willing to commute when compared to the underemployed (7.9%).



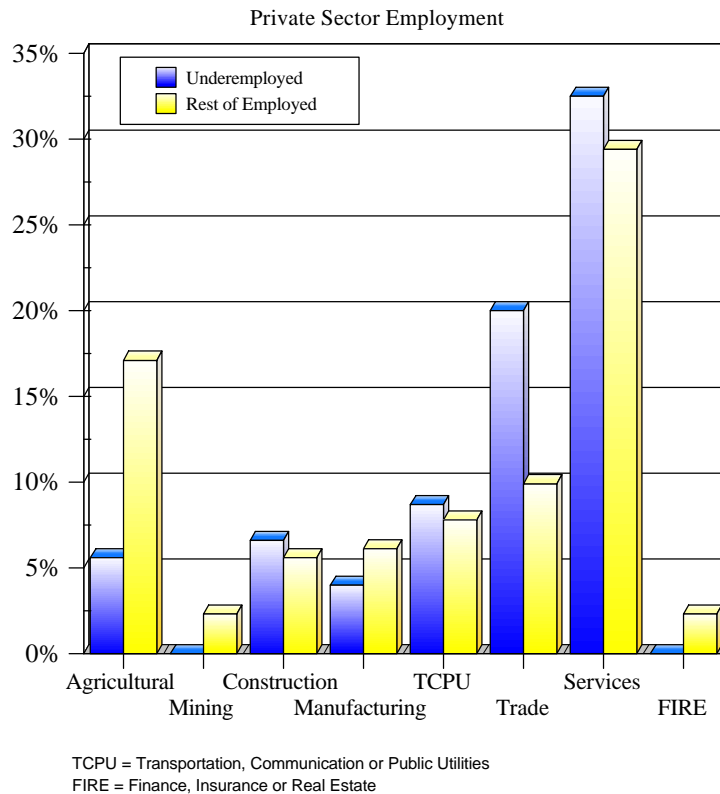
Workers in both groups are concentrated in private sector jobs, however the underemployed (63.8%) are more concentrated in the private sector than the rest of employed (38.3%).

Those in the rest of employed group are more likely to be self-employed than those in the underemployed group since 23.4% of the rest of employed people and 11.7% of the underemployed reported that they were self-employed. Government employment accounts for 20.2% of the rest of employed and 13.1% of the underemployed workers. Family business employment has the distinction of being the lowest proportion for each of the two groups - 3.5% of the underemployed and 5.6% of rest of employed.

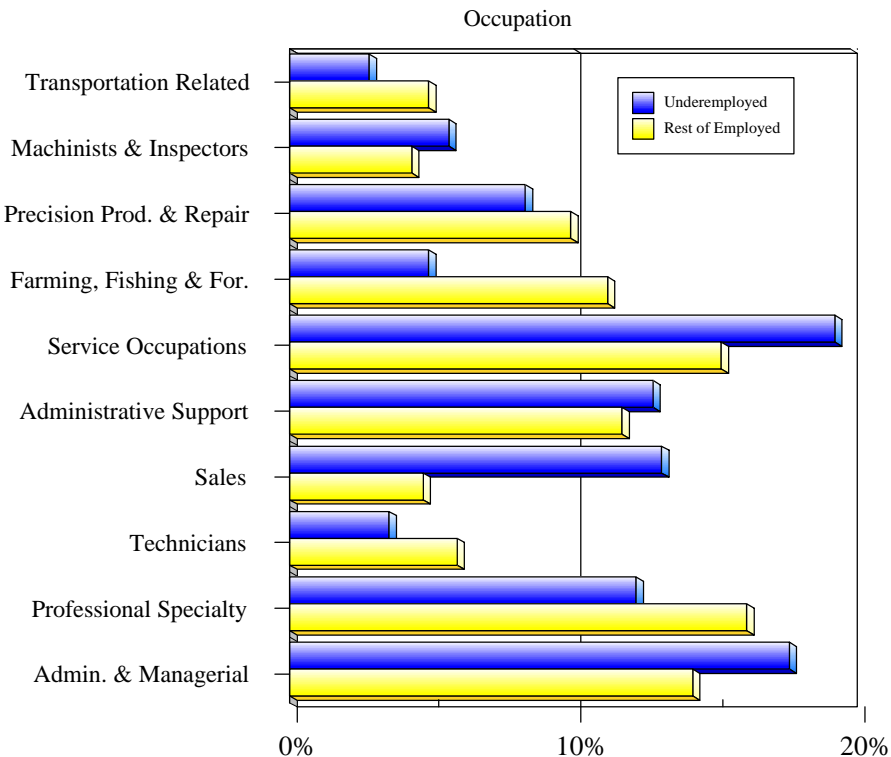


Whereas the previous graph reported employment in broad sectors of the economy, the following graph reports only on private sector

employment. The greatest proportions of private sector employment for the two groups are noticed in the service sector (32.5% of the underemployed, and 29.4% of the rest of employed). The greatest disparity in proportions for the two groups exist in the agricultural and trade sectors. Whereas 17.1% of the rest of employed workers were employed in the agricultural sector, only 5.6% of the underemployed were. And the 20.0% of the underemployed who were employed in the trade sector is more than double the 9.9% of the rest of employed who were employed in that same sector. Manufacturing employment accounted for 6.1% of the rest of employed and 4.0% of the underemployed. Minimal amounts of underemployed workers were employed in the Mining and FIRE sectors, while 2.3% of the rest of employed workers were employed in each of these two sectors.



While the previous graph reported employment in the private sector, this graph relates common occupations held within all sectors of the four county economy. With some exceptions, the distribution of occupations is similar. Most notably, the rest of employed workers are much more likely to be in farming (11.2%) than are the underemployed (4.9%) - which should be expected given the information presented in the previous graph. Additionally, the underemployed are more likely to be employed in service occupations (19.2%) than the rest of employed workers (15.2%).

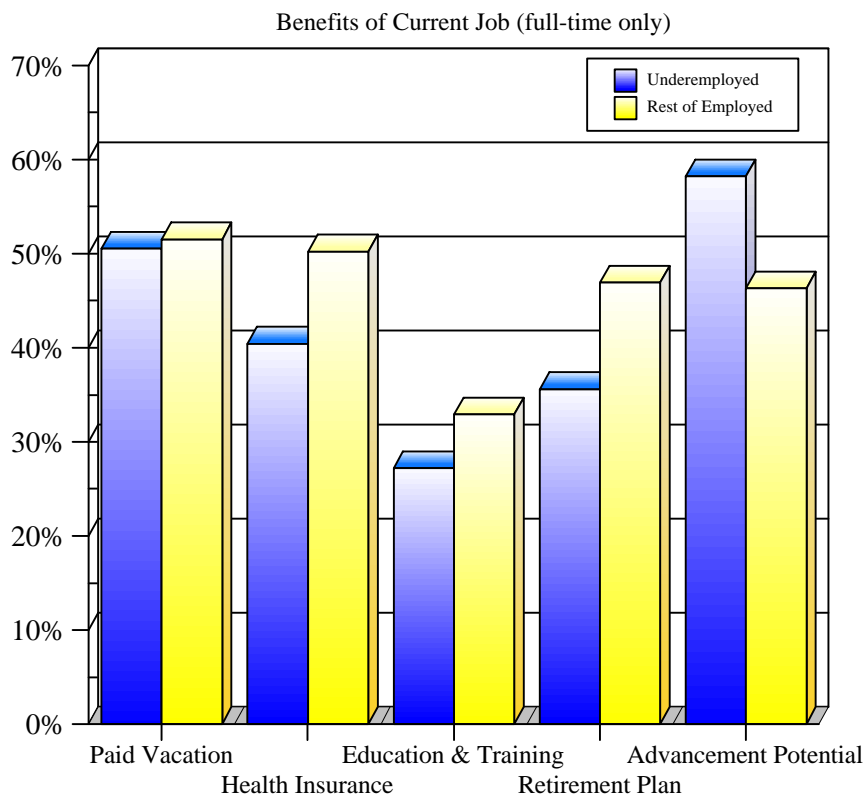


The previous graph reported occupations held by both underemployed and rest of employed workers in Beckham, Custer, Roger Mills and Washita counties. The following table estimates the total number of underemployed workers in the four county area employed in the specified occupations given the same proportions reported in the previous graph. The underemployed work in a variety of occupations and skills, from executives and other professionals to craftsmen and clerks:

	Estimated Workers	Percent
Executive, Administrative & Managerial	574	17.6
Professional Specialty	398	12.2
Technicians & Related Support	113	3.5
Sales	428	13.1
Administrative Support, Including Clerical	418	12.8
Service Occupations	627	19.2
Farming, Forestry & Fishing	160	4.9
Precision Production, Craft & Repair	270	8.3
Machine Operators, Assemblers & Inspectors	182	5.6
Transportation & Material Moving	91	2.8

As can be seen from the above table, the largest proportion of underemployed people work in service occupations (19.2%), and the smallest proportion in transportation & material moving occupations (2.8%).

This last section relates the benefits available to both underemployed and rest of employed workers in their current job. Nearly equal proportions of the two groups receive paid vacation benefits with 50.5% of the underemployed and 51.5% of the rest of employed having this benefit. Markedly higher proportions of the rest of employed workers receive health insurance, education & training and retirement plan benefits when compared to the underemployed



workers. However, whereas the rest of employed group received more benefits with their current job, a higher proportion of the underemployed has more potential for advancement. In their current job, 46.3% of the rest of employed and 58.2% of the underemployed have potential for advancement. This may indicate that if the underemployed were to advance, then they would feel that their skills and education are more fully being utilized.

Conclusions

1. 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 over 3,200 people in the four county area fall into the underemployed category.
2. 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 almost 3,100 people in the four county area fall into this category. However, these persons typically are less skilled and not as well educated.
3. A higher proportion of those who are not employed and want to work have a high school education (38.4%) or less (11.9%) when compared to the other two groups (6.4% of the rest of employed and 3.8% of the underemployed have less than a high school education; 30.7% of the rest of employed and 23.1% of the underemployed have a high school education. Likewise, a higher proportion of the underemployed have at least a Bachelor's degree (18.7% compared with 16.6% of the rest of employed), and a higher proportion of the rest of employed have Associates (6.2% compared with 3.5% for the underemployed) or postgraduate degrees (12.2% compared with 11.6% of the underemployed).
4. Those who are underemployed or want to work are more than twice as likely to be less than thirty years of age when compared to those people in the rest of employed group (49.5% for the underemployed, 47.0% for the want to work group and 22.3% for the rest of employed group.) The rest of employed group has the highest proportions of people between 30 and 64 years of age.
5. Males constitute larger proportions of the underemployed (55.1% compared with 44.9% of females) and rest of employed (53.0% compared with 47.0% of females) when compared with females. However, females make up a larger percentage of those who want to work but don't have a job - 59.4% for females and 40.6% for males.
6. A majority of the underemployed (64.9%) and people who want to work view (67.7%) a job that pays between eight and ten dollars per hour as desirable. Additionally, a sizeable proportion of people in rest of employed (43.3%) view such a job as desirable. These percentages translate into an estimated 14,600 adults in the four county area.
7. Focusing on the underemployed, the largest proportions currently work in service oriented positions (19.2%) and in administrative & managerial positions (17.6%).
8. Proportionately, earnings among the rest of employed are fairly evenly distributed between the \$0 to \$40,000 range (21.0% for \$0-\$10,000; 17.9% for \$10,000-\$20,000; 21.3% for \$20,000-\$30,000; and 18.2% for \$30,000-\$40,000). After that range, earnings drop off for that group but remain consistently above earnings for the underemployed. Proportionately, earnings for the underemployed are high in the \$0-\$10,000 range at 29.2% and peak in the \$10,000-\$20,000 range at 35.6%.
9. Smaller pay increases are needed for the underemployed to change jobs (51.2% of this group stated that they would change jobs for a pay increase of less than 15%). Comparatively, only 28.2% of the rest of employed stated that they would change jobs for a pay increase of less than 15%. Additionally 26.2% of the rest of employed are not interested in any increase, while only 4.1% of the underemployed wouldn't change jobs for any increase.
10. The underemployed are more willing to commute longer distances to jobs that would pay them better or use their skills more effectively. Fifty-nine percent of the underemployed would commute at least 21 miles to work while 38.2% of the rest of employed would do so.
11. Proportionately, while the rest of employed are more likely to receive better benefits, the underemployed proportionately have more potential for advancement.