

**THE
QUAD-CITY, ARIZONA
AREA
LABOR AVAILABILITY REPORT**

May, 2008

**Compiled and Prepared by
THE PATHFINDERS**



Dallas, Texas

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INTRODUCTION

The Pathfinders has employed its experience in workforce assessments for corporate site-selection clients and civilian workforce assessments for the Department of Defense in locations that faced military base closures to produce this evaluation of the Quad-City, Arizona area workforce. The information presented in this report has been developed independently of the client, and the client has not influenced the findings.

The Pathfinders functions as a site-selection consultant to many of America's largest corporations, including companies such as AT&T, DuPont, Celanese, 3M Corporation, IMC Global, Singapore Aerospace, AIG, UPS, and Lockheed Martin. The question that most often drives the search for a new business location is whether the candidate location has the workforce needed, and a workforce analysis has been a key component of the site searches conducted for these clients. Senior human resources executives from among corporate clients assisted in refining this methodology and report format. Companies making location decisions based upon these surveys have reported that when staffing actually began, the numbers reported by The Pathfinders proved to be accurate.

In a poll of its corporate clients, The Pathfinders found that those clients' experiences suggest that new hires for new operations typically do not come from the ranks of the unemployed. Instead, these clients and other companies staff a new operation principally with individuals who are working but who desire better jobs and who appear to possess the skills, education, and experience to qualify them for those better jobs. By that definition, those individuals can be considered "underemployed" and are identified as such in this report. The type of quality employer that the Quad-City region is attempting to attract will typically hire people who come from this group. As a consequence, The Pathfinders was retained to quantify the extent to which underemployment exists in the area, as well as to document the cost, skills, experience, and education of that hidden workforce. This report represents the objective and professional view of The Pathfinders with regard to workforce availability, cost, skills, and quality that a new employer can expect in the Quad-City region.



SUMMARY OF FINDINGS

- The Quad-City area, referred to in this report as the “labor shed”, has a household population of approximately 138,700 and a civilian labor force of approximately 61,400.
- The labor shed has a pool of approximately 2,700 unemployed persons who are actively seeking work.
- A new employer will be able to attract employees from an additional pool of about 4,800 workers. These individuals are currently employed and have indicated an interest in changing jobs.
- These potentially available workers are referred to in this report as the “underemployed” because they appear to possess the skills, experience, and education to qualify them for the pay rates at which they would take a new job.
- The desired pay rates of these underemployed workers are reasonable when compared to their existing pay rates. The median current pay rate of the underemployed workers is \$15.27 per hour, and the median desired pay rate of the underemployed workers is \$15.99 per hour.
- About 25% of the underemployed workers would take a new job for \$12.88 per hour or less. At the upper end, the 25% most qualified and experienced will command more than \$21.00 per hour.
- Roughly 900 people, neither employed nor seeking work, might re-enter the workforce for the proper job.
- In total, the Quad-City area has approximately 8,400 available workers for new or expanding businesses.



METHODOLOGY

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

The first step in assessing the workforce of the Quad-City 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 Quad-City 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 Chino Valley, Dewey/Humboldt, Prescott, Prescott Valley and other selected portions of Yavapai County.

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

The Pathfinders then conducted telephone interviews with individuals throughout the Quad-City region. Those individuals were proportionally stratified across age, household income, and zip codes. The purpose of these interviews was to ascertain availability for work with a new employer; determine desired pay rates; and, collect information on such factors as age, education, commuting patterns, experience, and skills. The data obtained as a result of those interviews enabled The Pathfinders to apply and employ a proprietary methodology that accurately determined the existence of underemployment as defined in the introduction.



The Pathfinders applied a proprietary process to the analysis of the data to correct for invalid responses. For example, those persons indicating they would take a new job but also indicating the desire for increased or decreased pay that is unreasonable are not counted in the results.

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

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

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

Irrespective of the fact that the methodology employed is scientifically proven to produce such results, it is perhaps even more important to note that companies making location decisions based upon these surveys have reported that when staffing actually began, the numbers reported by The Pathfinders proved to be accurate.



ASSESSMENT OF THE WORKFORCE

The Quad-City area labor shed has a household population of approximately 138,700. The civilian labor force numbers approximately 61,400, and the labor shed contains approximately 2,700 unemployed people who are actively seeking work.

The results of this assessment determined that approximately 4,800 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. Further, the results suggest that an additional 900 people who are not currently employed or actively seeking work would consider re-entering the workforce. In total, the Quad-City area has approximately 8,400 available workers for new or existing employers.

AVAILABLE WORKERS

| | |
|---|--------------|
| Number of underemployed workers | 4,800 |
| Number of unemployed persons who are actively seeking work | 2,700 |
| Number of persons who are not working, but would consider re-entering the workforce | 900 |
| Total Number of Workers Available for Employers | 8,400 |

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



These underemployed workers might also be termed “upgraders”. They desire to move into an upgraded job and appear to possess the skills, education, and experience to enable them to do so. The pay rates they expect to achieve range from under \$8.00 to over \$30.00 per hour.

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

CONVERSION CHART

| Hourly | Weekly | Monthly | Annually |
|----------|-------------|-------------|--------------|
| \$ 8.00 | \$ 320.00 | \$ 1,387.00 | \$ 16,640.00 |
| \$ 10.00 | \$ 400.00 | \$ 1,733.00 | \$ 20,800.00 |
| \$ 12.00 | \$ 480.00 | \$ 2,080.00 | \$ 24,960.00 |
| \$ 14.00 | \$ 560.00 | \$ 2,427.00 | \$ 29,120.00 |
| \$ 16.00 | \$ 640.00 | \$ 2,773.00 | \$ 33,280.00 |
| \$ 18.00 | \$ 720.00 | \$ 3,120.00 | \$ 37,440.00 |
| \$ 20.00 | \$ 800.00 | \$ 3,467.00 | \$ 41,600.00 |
| \$ 22.00 | \$ 880.00 | \$ 3,813.00 | \$ 45,760.00 |
| \$ 24.00 | \$ 960.00 | \$ 4,160.00 | \$ 49,920.00 |
| \$ 26.00 | \$ 1,040.00 | \$ 4,507.00 | \$ 54,080.00 |
| \$ 28.00 | \$ 1,120.00 | \$ 4,853.00 | \$ 58,240.00 |
| \$ 30.00 | \$ 1,200.00 | \$ 5,200.00 | \$ 62,400.00 |
| \$ 32.00 | \$ 1,280.00 | \$ 5,547.00 | \$ 66,560.00 |
| \$ 34.00 | \$ 1,360.00 | \$ 5,893.00 | \$ 70,720.00 |



DESIRED WAGE RATES PER HOUR BY RANGE
4,800 Underemployed Workers



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

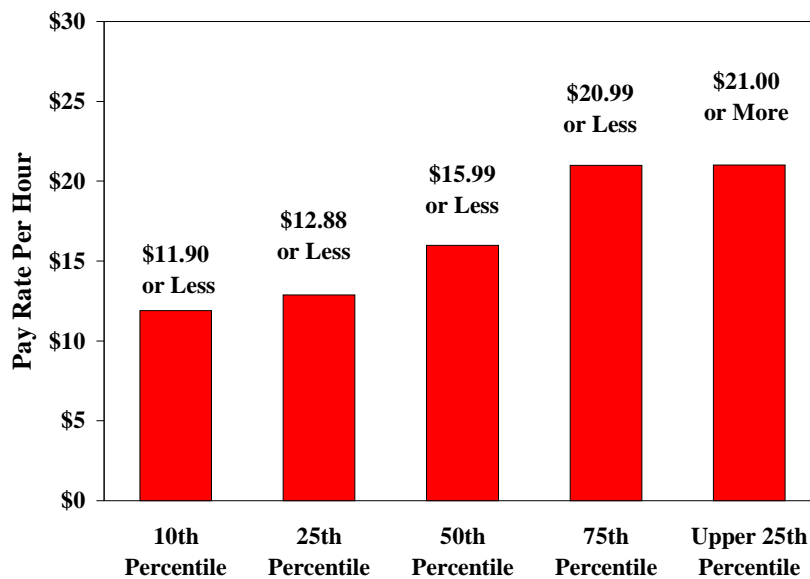
| | | | | |
|--|--|--|--|--|
| <u>\$8.00 - \$8.99</u> 50 | <u>\$9.00 - \$9.99</u> 50 | <u>\$10.00 - \$10.99</u> 200 | <u>\$11.00 - \$11.99</u> 200 | <u>\$12.00 - \$12.99</u> 800 |
| <u>\$13.00 - \$13.99</u> 200 | <u>\$14.00 - \$14.99</u> 200 | <u>\$15.00 - \$15.99</u> 700 | <u>\$16.00 - \$16.99</u> 50 | <u>\$17.00 - \$17.99</u> 200 |
| <u>\$18.00 - \$18.99</u> 200 | <u>\$19.00 - \$19.99</u> 50 | <u>\$20.00 - \$20.99</u> 700 | <u>\$21.00 - \$21.99</u> 100 | <u>\$22.00 - \$22.99</u> 200 |
| <u>\$23.00 - \$24.99</u> 100 | <u>\$25.00 - \$26.99</u> 300 | <u>\$27.00 - \$28.99</u> 100 | <u>\$29.00 - \$30.99</u> 200 | <u>\$31.00 or More</u> 200 |



Utilizing the desired wage information as illustrated in the preceding charts, the following conclusions can be drawn concerning the underemployed workers in the Quad-City area:

- 10% of the underemployed workers will require \$11.90 per hour or less to change jobs.
- 25% of the underemployed workers will require \$12.88 per hour or less to change jobs.
- 50% of the underemployed workers will require \$15.99 per hour or less to change jobs.
- 75% of the underemployed workers will require \$20.99 per hour or less to change jobs.
- The upper 25% of the underemployed workers will require wages beginning at \$21.00 per hour and extending upward to over \$30.00 per hour. These are the most qualified and experienced workers.

DESIRED WAGE RATES BY PERCENTILE



**MEDIAN DESIRED PAY RATES BY SKILLS
OF UNDEREMPLOYED WORKERS
The Quad-City Area Labor Shed**

| Skills | Desired Pay |
|---|-------------|
| Office Operations | \$16.90 |
| Warehouse/Materials Handling | \$15.90 |
| Manufacturing/Assembly/Fabrication | \$17.65 |
| Medical/Health Sciences | \$15.57 |
| Maintenance/Installation/Repair | \$20.02 |
| Technician/Quality Assurance | \$18.90 |
| Information Technology | \$17.15 |
| Telecommunications | \$16.90 |
| Electronics/Engineering | \$25.40 |
| Administrative | \$17.90 |
| Machining/Welding/Other Industrial Machines | \$20.23 |

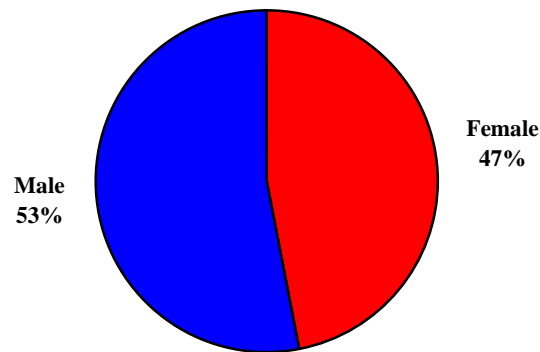


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

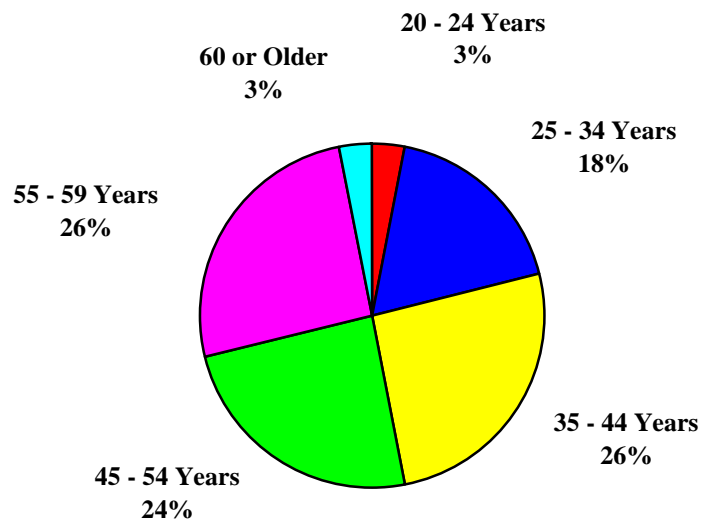
The Quad-City Area Labor Shed

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

UNDEREMPLOYED WORKERS - GENDER

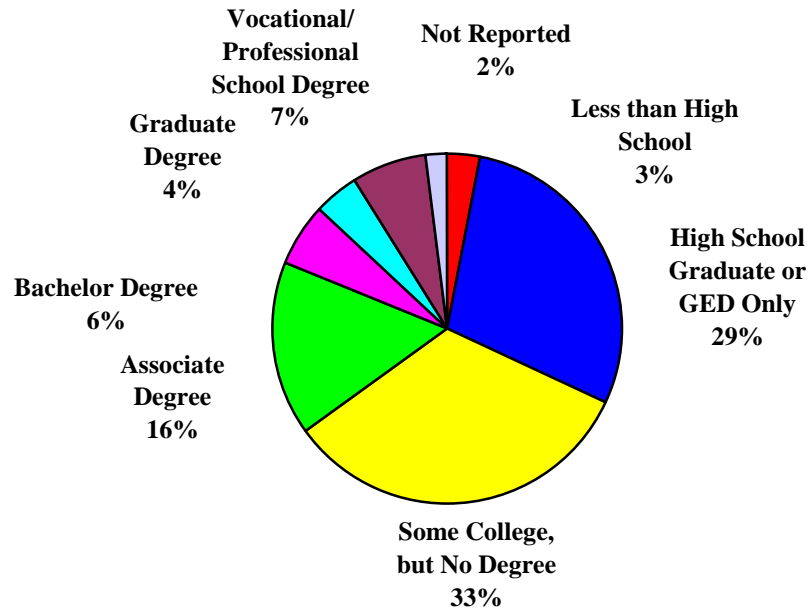


UNDEREMPLOYED WORKERS - AGE

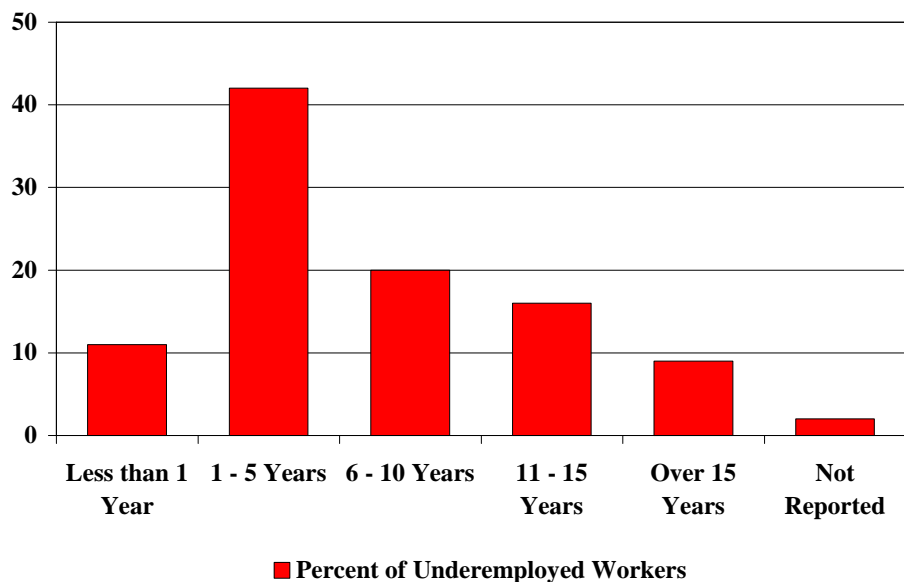


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

EDUCATION

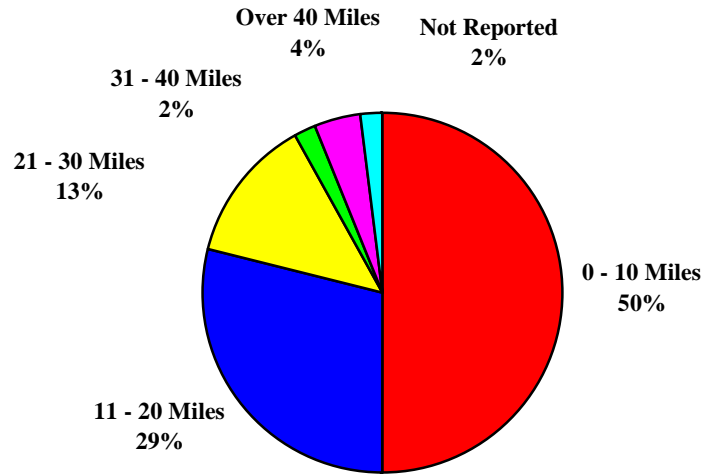


LENGTH OF TIME IN CURRENT JOB

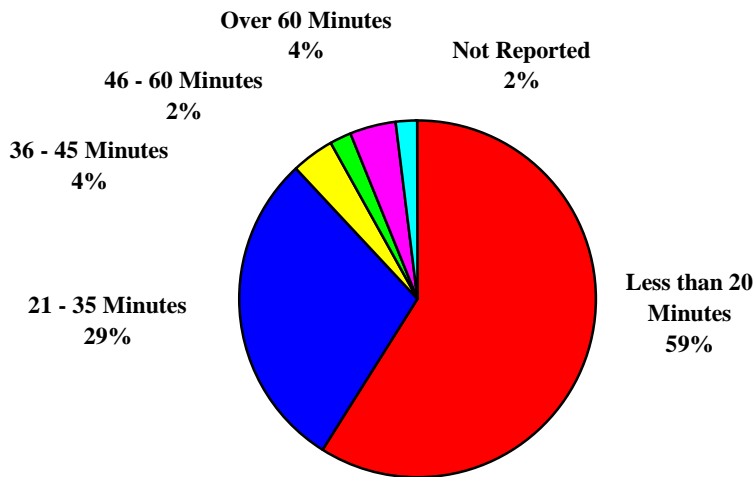


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

CURRENT COMMUTE DISTANCE



CURRENT COMMUTE TIME



CHARACTERISTICS OF UNDEREMPLOYED WORKERS

CURRENT SECTOR OF EMPLOYMENT

| Sector | Total Number of Persons | Percentage |
|------------------------------------|-------------------------|------------|
| Medical/Health Care | 1,000 | 20% |
| Sales/Services | 700 | 15% |
| Construction/Trades/Utilities | 700 | 15% |
| Manufacturing/Assembly/Fabrication | 600 | 13% |

Of the approximately 4,800 underemployed workers in the labor shed, 20% or about 1,000 individuals, are currently employed in the medical/health care sector. This is followed by the sectors of sales/services and construction/trades/utilities (15%) and manufacturing/assembly/fabrication (13%).

Other categories of current employment for the underemployed workers in the Quad-City area include sectors each of which has less than 13% representation. Those sectors are spread across a wide variety of categories, including, among others, hospitality and maintenance/installation/repair.



EXPERIENCE AND SKILLS – UNDEREMPLOYED WORKERS

The Quad-City Area Labor Shed

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

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

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

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

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



EMPLOYMENT EXPERIENCE OF UNDEREMPLOYED WORKERS**The Quad-City Area Labor Shed****4,800 Underemployed Workers**

| Experience Category* | Total Number of Persons Experienced** | Percentage of Total Underemployed | Average Number of Years of Experience |
|---------------------------------------|--|--|--|
| Customer Service | 3,700 | 78% | 10 |
| Administrative | 2,700 | 56% | 8 |
| Office Operations | 2,600 | 55% | 7 |
| Sales | 2,300 | 47% | 6 |
| Hospitality | 2,000 | 42% | 7 |
| Manufacturing/Assembly/Fabrication | 1,800 | 38% | 5 |
| Financial Services/Accounting | 1,700 | 35% | 9 |
| Maintenance/Installation/Repair | 1,500 | 31% | 12 |
| Medical/Health Sciences | 1,300 | 27% | 10 |
| Warehouse/Distribution/Transportation | 1,200 | 24% | 6 |
| Telecommunications | 1,000 | 20% | 7 |
| Information Technology | 900 | 18% | 11 |
| Call Center | 800 | 16% | 2 |

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

** Rounded



EMPLOYMENT SKILLS OF UNDEREMPLOYED WORKERS**The Quad-City Area Labor Shed****4,800 Underemployed Workers**

| Skills* | Total Number of Persons Skilled** | Percentage of Total Underemployed |
|---|--|--|
| Office Operations | 3,300 | 69% |
| Administrative | 3,000 | 62% |
| Information Technology | 2,400 | 49% |
| Manufacturing/Assembly/Fabrication | 2,200 | 46% |
| Warehouse/Materials Handling | 1,700 | 36% |
| Telecommunications | 1,700 | 36% |
| Maintenance/Installation/Repair | 1,700 | 35% |
| Technician/Quality Assurance | 1,700 | 35% |
| Medical/Health Sciences | 1,600 | 33% |
| Machining/Welding/Other Industrial Machines | 900 | 18% |
| Electronics/Engineering | 600 | 13% |

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

** Rounded



**FACTORS AFFECTING JOB DESIRABILITY
THE QUAD-CITY AREA LABOR SHED
4,800 UNDEREMPLOYED WORKERS**

In an effort to identify those factors most important to the Quad-City area's underemployed workers relative to consideration of an employer's desirability, the surveyed individuals were asked to rate the following job factors on a scale of 1 to 5, with 5 being "extremely important" and 1 being "not important". The table below presents the ratings for each factor.

| Factor | 5 Extremely Important | 4 Very Important | 3 Important | 2 Somewhat Important | 1 Not Important |
|------------------------------------|--------------------------------------|---------------------------------|------------------------|-------------------------------------|--------------------------------|
| Salary | 62% | 26% | 10% | 1% | 1% |
| Location | 27% | 37% | 27% | 7% | 2% |
| Insurance Benefits | 56% | 36% | 2% | 4% | 2% |
| Retirement Benefits | 48% | 36% | 10% | 2% | 4% |
| Physical Working Environment | 30% | 42% | 22% | 4% | 2% |
| Paid Training Programs | 33% | 33% | 24% | 6% | 4% |
| Flexible Work Schedule | 42% | 24% | 26% | 7% | 1% |
| Opportunity for Advancement | 41% | 37% | 18% | 2% | 2% |
| Financial Stability of the Company | 62% | 31% | 5% | 1% | 1% |
| Reputation of the Company | 46% | 40% | 11% | 2% | 1% |



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

| Factor | Extremely Important |
|------------------------------------|---------------------|
| Salary | 62% |
| Financial Stability of the Company | 62% |
| Insurance Benefits | 56% |
| Retirement Benefits | 48% |
| Reputation of the Company | 46% |
| Flexible Work Schedule | 42% |
| Opportunity for Advancement | 41% |
| Paid Training Programs | 33% |
| Physical Working Environment | 30% |
| Location | 27% |



EMPLOYERS' VIEWS OF THE THE QUAD-CITY AREA TOTAL WORKFORCE

In developing a profile of existing workers in the Quad-City 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. Each of these companies operated in the industrial, commercial, or service sectors. The interview sampling was sufficiently large to make valid workforce judgments.

As determined from the employer interviews, the table below reflects various methods used to recruit workers in the Quad-City region and the percent of employers utilizing that method. Many use more than one method, therefore, the percentages will not add up to 100%.

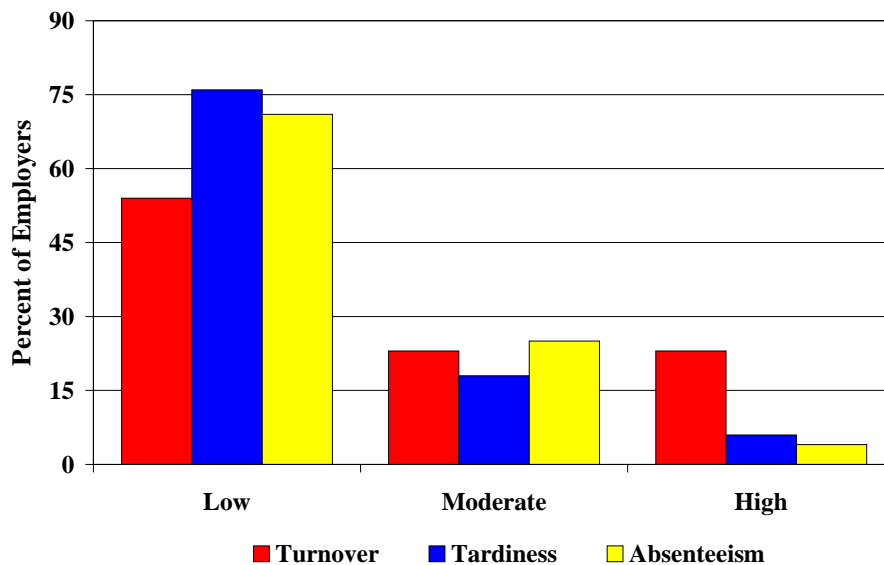
| Recruiting Method | % of Employers |
|-----------------------------|----------------|
| Newspaper Ads | 65% |
| Word of Mouth | 61% |
| Internet | 45% |
| Walk-Ins | 36% |
| Referrals | 33% |
| Networking | 22% |
| Colleges/Tech Schools | 16% |
| Professional/Trade Journals | 15% |
| Sign/Job Board | 13% |
| Staffing/Temp Service | 11% |
| Job Fair | 11% |



In addition to the recruitment methods listed in the table on the preceding page, other methods, each with less than 11% representation, were reported by the participating employers and include recruiters, state agency, radio/TV and union halls.

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 rating for turnover, tardiness and absenteeism in the Quad-City region.

**PERCENT OF EMPLOYERS RATING
THE QUAD-CITY AREA TOTAL WORKFORCE**



Additionally, in the Quad-City region, 61% of the employers interviewed stated their companies tested for substance abuse, primarily cause/suspicion and pre-employment. Substance abuse within the individual companies’ workforces was reported as low.



In consideration of all factors, 76% of the employers in the Quad-City area rated the productivity of the workforce as “Good” to “Excellent”. Worker reliability received high marks from 78% of the employers.

**PERCENT OF EMPLOYERS RATING
THE QUAD-CITY AREA TOTAL WORKFORCE**

| Category | Excellent | Good | Fair | Poor |
|---------------------|-----------|------|------|------|
| Worker Productivity | 10% | 66% | 22% | 2% |
| Worker Reliability | 20% | 58% | 20% | 2% |
| Worker Attitudes | 16% | 62% | 20% | 2% |

The educational competencies of employees are additional factors used to evaluate an area’s labor force. In the Quad-City area, 50% of the employers interviewed rated the public schools as “Excellent” or “Good”; 74% of the employers rated the community colleges and technical schools as “Excellent” or “Good”; and 46% rated the trade schools as “Excellent” or “Good”. Employers gave the following ratings to their employees relative to competency in reading, writing, and calculations.

**PERCENT OF EMPLOYERS RATING
THE QUAD-CITY AREA TOTAL WORKFORCE**

| Category | Excellent | Good | Fair | Poor |
|-------------------------|-----------|------|------|------|
| Reading Competency | 16% | 64% | 20% | 0% |
| Writing Competency | 12% | 47% | 39% | 2% |
| Calculations Competency | 11% | 57% | 30% | 2% |

A common employer complaint relates to the shortage of skilled and technical workers. The availability of these workers in the Quad-City region must be viewed from the perspective of comparative availability when other areas of the state and nation are considered. Skilled and



technical workers are in great demand and difficult to find in the vast majority of locations. Of the companies in the labor shed interviewed, 55% considered skilled worker availability to be “Excellent” or “Good”, while 29% considered it to be “Fair”. The availability of technical workers in the labor shed was rated “Excellent” or “Good” by 37% of the interviewed companies and “Fair” by 48%.

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

**PERCENT OF EMPLOYERS RATING
THE QUAD-CITY AREA TOTAL WORKFORCE**

| Category | Excellent | Good | Fair | Poor |
|--------------------------------------|------------------|-------------|-------------|-------------|
| Availability of Skilled Workers | 2% | 53% | 29% | 16% |
| Availability of Unskilled Workers | 14% | 68% | 18% | 0% |
| Availability of Professional Workers | 2% | 36% | 52% | 10% |
| Availability of Technical Workers | 2% | 35% | 48% | 15% |
| Worker Productivity | 10% | 66% | 22% | 2% |
| Worker Reliability | 20% | 58% | 20% | 2% |
| Worker Attitudes | 16% | 62% | 20% | 2% |
| Reading Competency | 16% | 64% | 20% | 0% |
| Writing Competency | 12% | 47% | 39% | 2% |
| Calculations Competency | 11% | 57% | 30% | 2% |
| Teamwork Skills | 18% | 64% | 16% | 2% |
| Entry Level Skills | 4% | 63% | 27% | 6% |



COMPARISONS OF EMPLOYERS RATINGS

TOTAL WORKFORCE

The Quad-City Area Labor Shed /

Locations Previously Surveyed

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

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

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

For example, 10% of the Quad-City area employers rated “Worker Productivity” as “Excellent”. Of all the locations surveyed during the last eighteen months, the “Median” for that rating is 21%, and the “Highest” rating recorded in the “Excellent” category is 50%. The same comparison applies for each of the other factors.

In these charts, the Quad-City area is shown as “Labor Shed”.



WORKER PRODUCTIVITY

| Excellent | | Good | | Fair | | Poor | |
|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 50% | Highest | 82% | Highest | 41% | Highest | 11% |
| Labor Shed | 10% | Labor Shed | 66% | Labor Shed | 22% | Labor Shed | 2% |
| Median | 21% | Median | 61% | Median | 14% | Median | 4% |

WORKER RELIABILITY

| Excellent | | Good | | Fair | | Poor | |
|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 47% | Highest | 80% | Highest | 36% | Highest | 14% |
| Labor Shed | 20% | Labor Shed | 58% | Labor Shed | 20% | Labor Shed | 2% |
| Median | 23% | Median | 57% | Median | 14% | Median | 6% |

WORKER ATTITUDES

| Excellent | | Good | | Fair | | Poor | |
|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 45% | Highest | 85% | Highest | 40% | Highest | 9% |
| Labor Shed | 16% | Labor Shed | 62% | Labor Shed | 20% | Labor Shed | 2% |
| Median | 17% | Median | 60% | Median | 14% | Median | 3% |

WORKER READING COMPETENCY

| Excellent | | Good | | Fair | | Poor | |
|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 43% | Highest | 76% | Highest | 40% | Highest | 17% |
| Labor Shed | 16% | Labor Shed | 64% | Labor Shed | 20% | Labor Shed | 0% |
| Median | 16% | Median | 55% | Median | 26% | Median | 5% |



WORKER WRITING COMPETENCY

| Excellent | | Good | | Fair | | Poor | |
|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 27% | Highest | 74% | Highest | 69% | Highest | 17% |
| Labor Shed | 12% | Labor Shed | 47% | Labor Shed | 39% | Labor Shed | 2% |
| Median | 9% | Median | 53% | Median | 32% | Median | 6% |

WORKER CALCULATIONS COMPETENCY

| Excellent | | Good | | Fair | | Poor | |
|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 33% | Highest | 72% | Highest | 54% | Highest | 29% |
| Labor Shed | 11% | Labor Shed | 57% | Labor Shed | 30% | Labor Shed | 2% |
| Median | 7% | Median | 53% | Median | 29% | Median | 7% |

WORKER TEAMWORK SKILLS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 37% | Highest | 86% | Highest | 45% | Highest | 7% |
| Labor Shed | 18% | Labor Shed | 64% | Labor Shed | 16% | Labor Shed | 2% |
| Median | 15% | Median | 67% | Median | 17% | Median | 3% |

WORKER ENTRY LEVEL SKILLS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 28% | Highest | 67% | Highest | 53% | Highest | 22% |
| Labor Shed | 4% | Labor Shed | 63% | Labor Shed | 27% | Labor Shed | 6% |
| Median | 6% | Median | 52% | Median | 41% | Median | 5% |



AVAILABILITY OF SKILLED WORKERS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|------------|
| Highest | 25% | Highest | 85% | Highest | 71% | Highest | 38% |
| Labor Shed | 2% | Labor Shed | 53% | Labor Shed | 29% | Labor Shed | 16% |
| Median | 6% | Median | 38% | Median | 36% | Median | 21% |

AVAILABILITY OF UNSKILLED WORKERS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 40% | Highest | 75% | Highest | 50% | Highest | 17% |
| Labor Shed | 14% | Labor Shed | 68% | Labor Shed | 18% | Labor Shed | 0% |
| Median | 19% | Median | 51% | Median | 24% | Median | 7% |

AVAILABILITY OF PROFESSIONAL WORKERS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|------------|
| Highest | 30% | Highest | 61% | Highest | 63% | Highest | 44% |
| Labor Shed | 2% | Labor Shed | 36% | Labor Shed | 52% | Labor Shed | 10% |
| Median | 7% | Median | 33% | Median | 38% | Median | 21% |

AVAILABILITY OF TECHNICAL WORKERS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|------------|
| Highest | 27% | Highest | 50% | Highest | 70% | Highest | 52% |
| Labor Shed | 2% | Labor Shed | 35% | Labor Shed | 48% | Labor Shed | 15% |
| Median | 4% | Median | 34% | Median | 40% | Median | 13% |



NATIONAL COMPARATIVE OBSERVATIONS

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

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

The workforce report issued by The Pathfinders documents the availability of underemployed workers as well as the skills, experience, education, and costs of individuals in that hidden workforce in the Quad-City region. This section of the report provides a comparison of the characteristics of the labor shed's underemployed workforce with the underemployed workforces in other communities previously surveyed throughout the nation. A prospect company considering the Quad-City region as a location will judge its workforce on a comparative basis. This section of the report will allow local economic development professionals to view the region's workforce in relation to others across the country.

The comparative data for other locations used in the following charts and tables reflect information accumulated over the past eighteen months. The Pathfinders maintains a continuing database of over 600 surveyed counties and communities and more than 30 million workers.



Locations Used In Comparative Analysis (Partial Listing)

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

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



The workforce report documented the number of underemployed workers in the labor shed who would be available for an employer at various pay rates ranging from \$8.00 per hour or below to \$30.00 per hour or above and who appear to have the skills, experience, and education to justify the desired pay rates. The table below shows that 25% (lower quartile) of the underemployed workers in the labor shed would take a new job for \$12.88 per hour or less. In locations surveyed over the past eighteen months, the lowest desired pay rate in the lower quartile of underemployed workers was \$8.98 per hour or less, the median \$11.25 or less, and the highest desired pay rate was \$18.63 per hour or less.

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

| Desired Wage Labor Shed | Lowest Desired Wage Locations Surveyed Past 18 Months | Median Desired Wage Locations Surveyed Past 18 Months | Highest Desired Wage Locations Surveyed Past 18 Months |
|--------------------------------|--|--|---|
| \$12.88 or Less | \$8.98 or Less | \$11.25 or Less | \$18.63 or Less |

Those underemployed workers in the upper quartile have more education, better skills, and greater experience. Yet based on current pay rates, they are considered to be underemployed. In the labor shed, the underemployed individuals in the upper 25% desire \$21.00 per hour or more. In locations surveyed over the past eighteen months, the lowest desired pay rate in the upper quartile of underemployed workers was \$15.87 or more, the median \$20.14 or more, and the highest was \$33.00 per hour or more.

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

| Desired Wage Labor Shed | Lowest Desired Wage Locations Surveyed Past 18 Months | Median Desired Wage Locations Surveyed Past 18 Months | Highest Desired Wage Locations Surveyed Past 18 Months |
|--------------------------------|--|--|---|
| \$21.00 or More | \$15.87 or More | \$20.14 or More | \$33.00 or More |



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

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



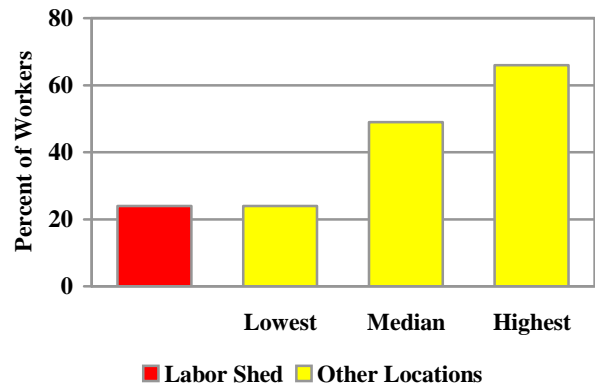
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

The Quad-City Area /
Locations Surveyed Over the Past 18 Months

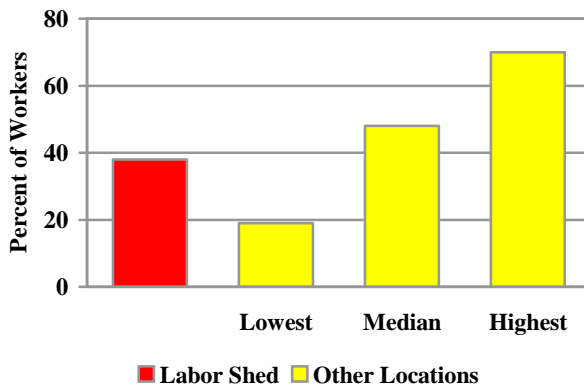
OFFICE



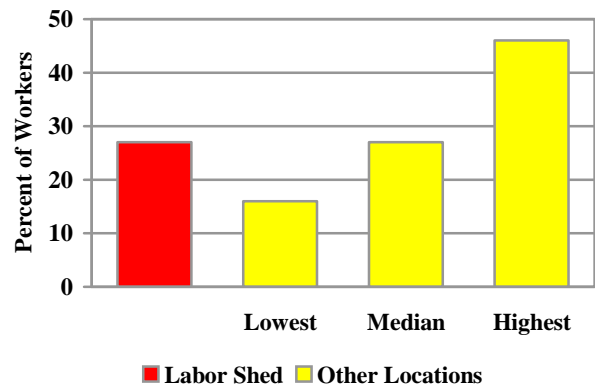
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TRANSPORTATION**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



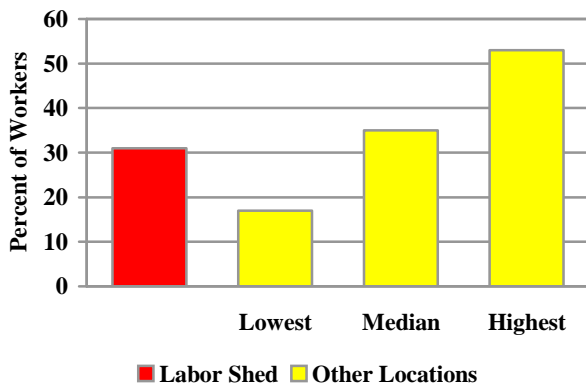
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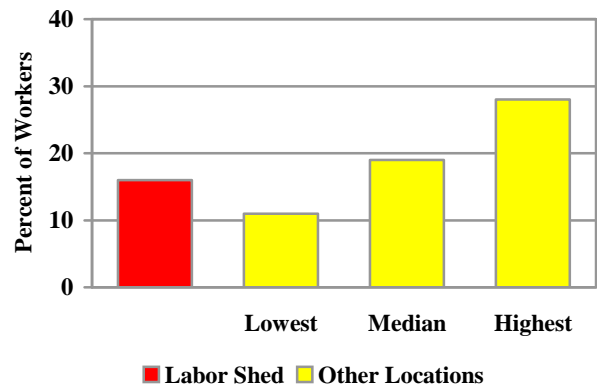
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

The Quad-City Area /
Locations Surveyed Over the Past 18 Months

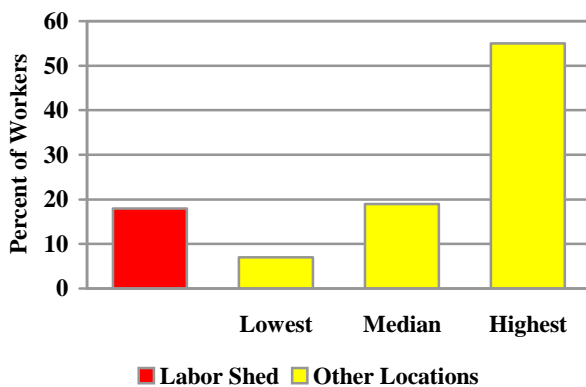
**MAINTENANCE /
INSTALLATION / REPAIR**



CALL CENTER



INFORMATION TECHNOLOGY

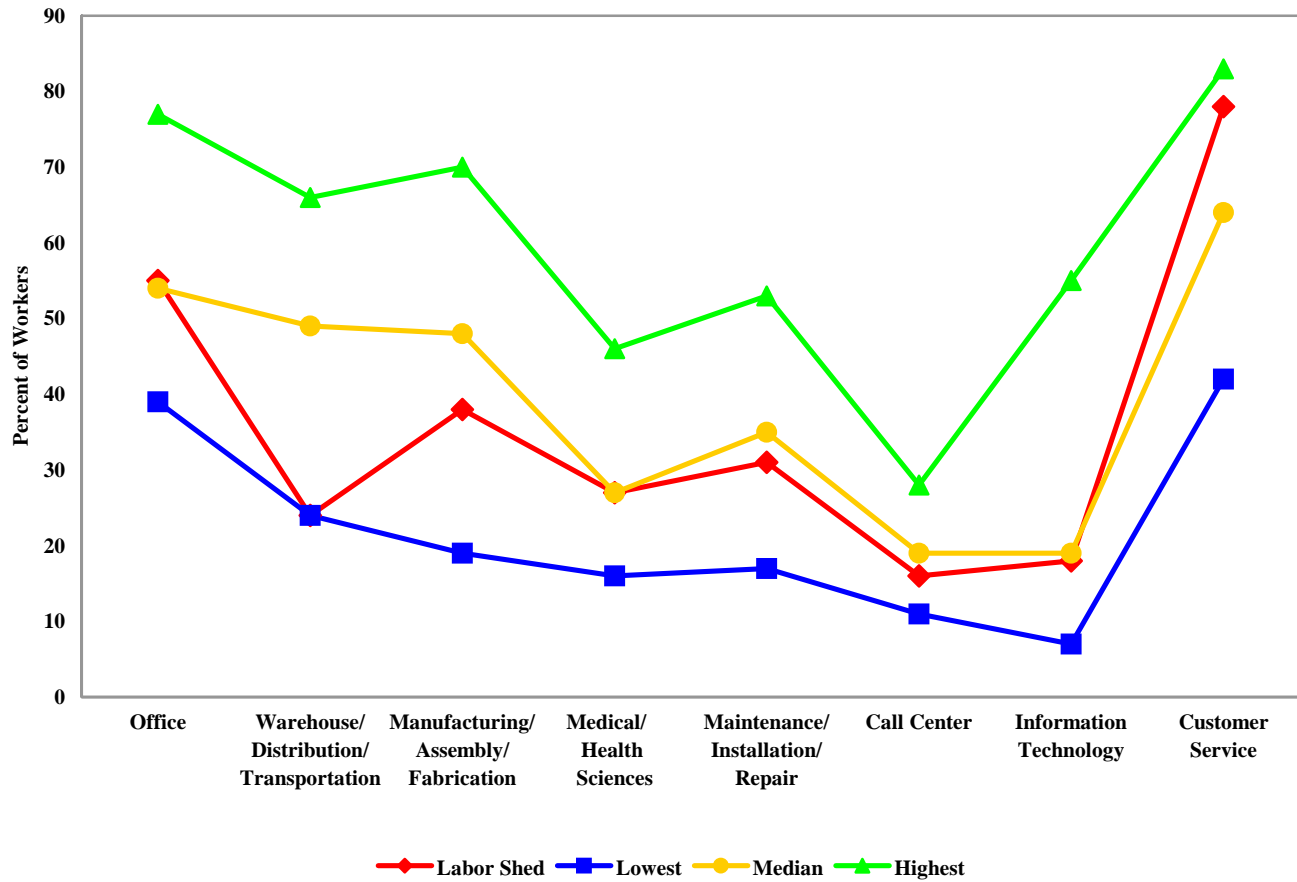


CUSTOMER SERVICE



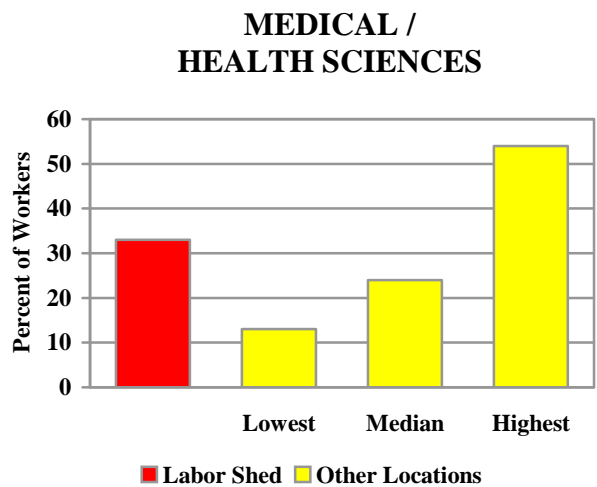
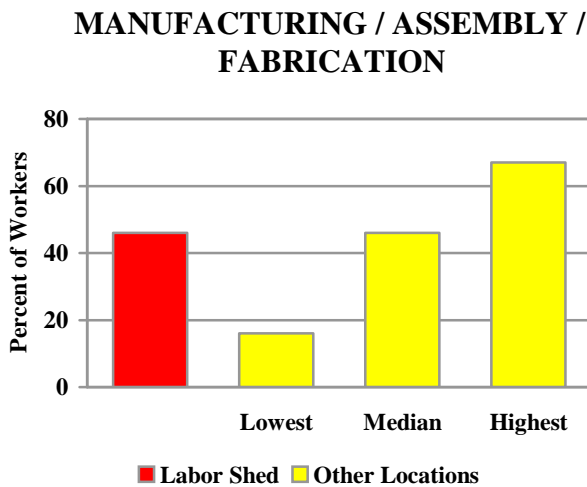
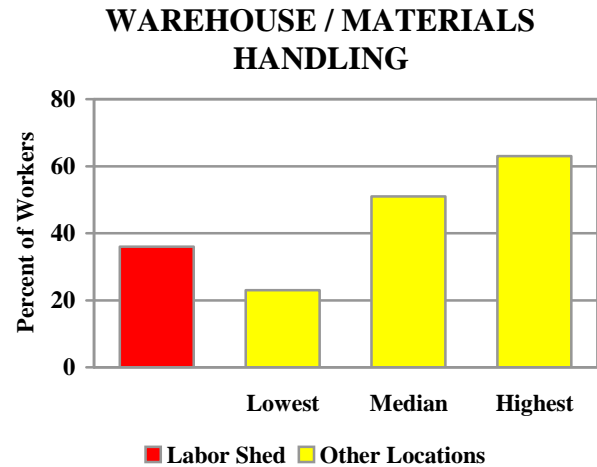
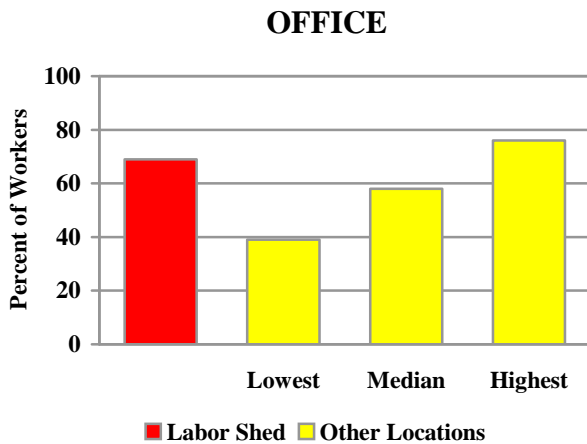
**SUMMARY COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS**

**The Quad-City Area /
Locations Surveyed Over the Past 18 Months**



COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

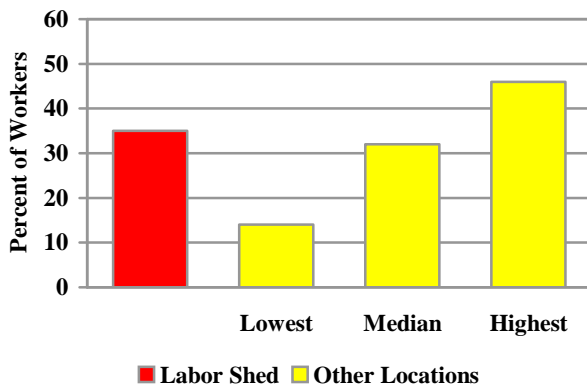
The Quad-City Area /
Locations Surveyed Over the Past 18 Months



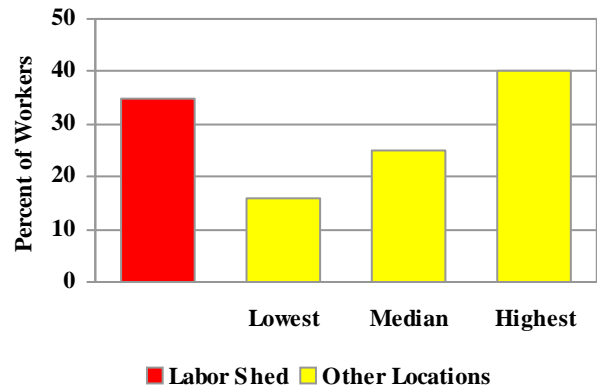
COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

The Quad-City Area /
Locations Surveyed Over the Past 18 Months

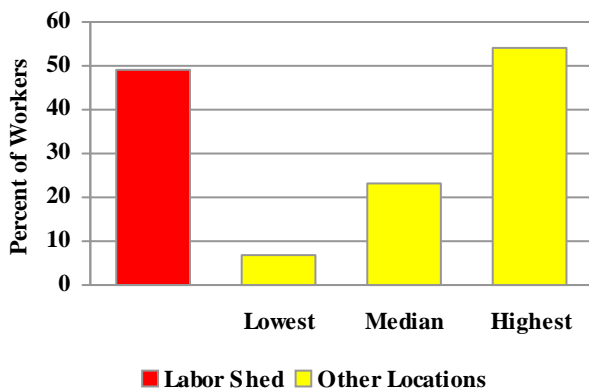
**MAINTENANCE /
INSTALLATION / REPAIR**



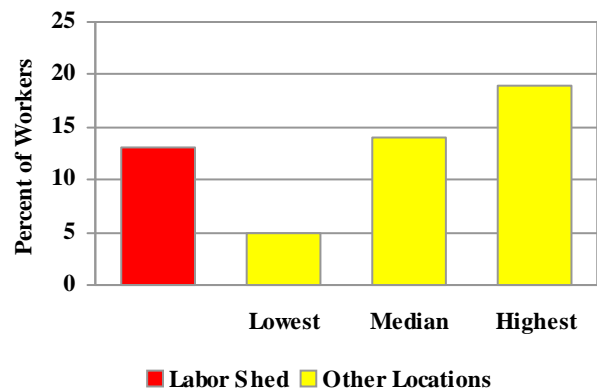
**TECHNICIAN / QUALITY
ASSURANCE**



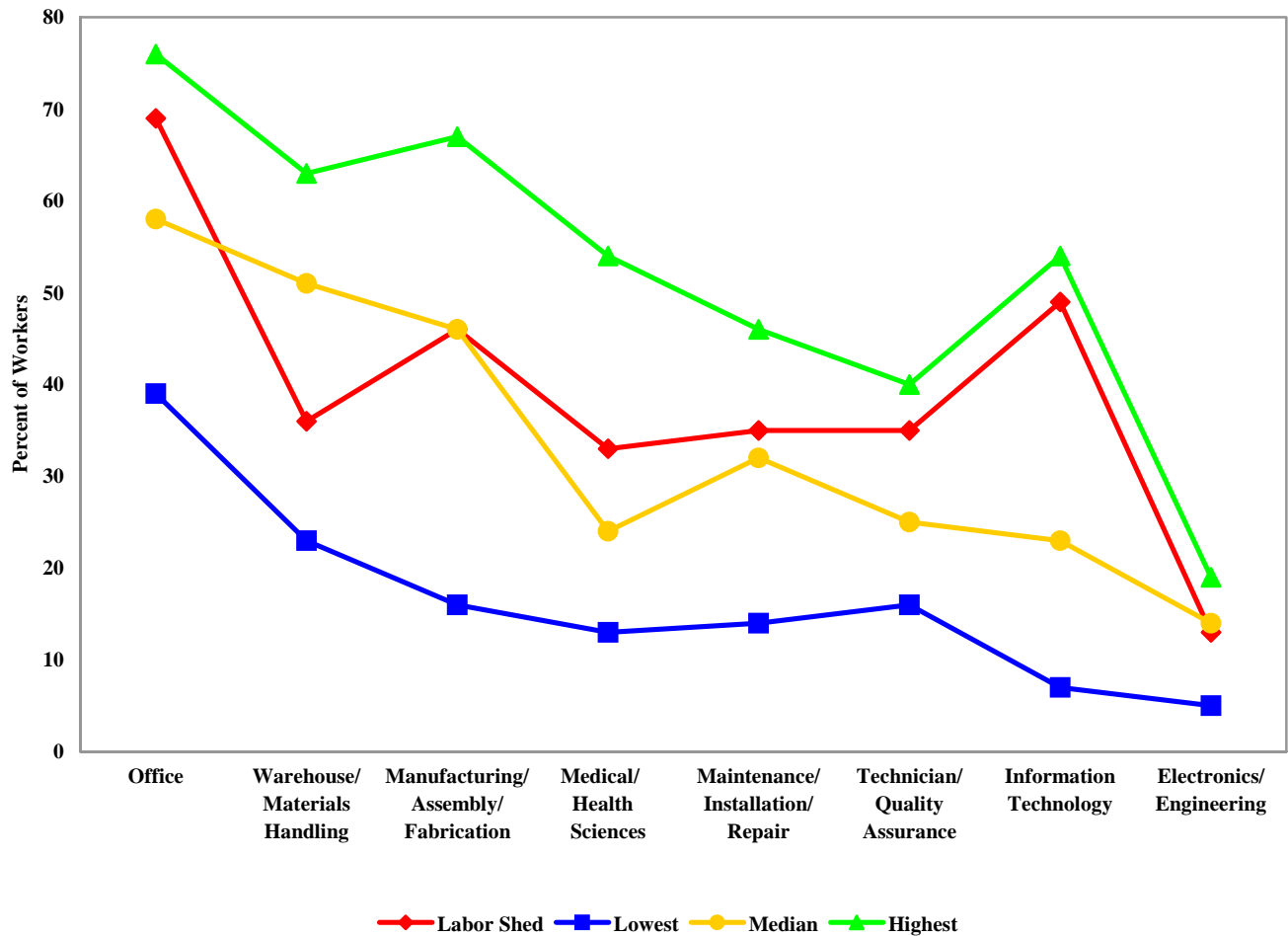
INFORMATION TECHNOLOGY



ELECTRONICS / ENGINEERING



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



CLOSING REMARKS

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

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

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

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

For Informational Purposes:

| | |
|--|------------------|
| The Quad-City Area Civilian Workforce | 61,400 |
| Largest Workforce Surveyed by The Pathfinders | 5,000,000 |
| Median Workforce Surveyed by The Pathfinders | 165,050 |
| Smallest Workforce Surveyed by The Pathfinders..... | 3,350 |





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