W. Frank Barton School of Business

Center for Economic Development and Business Research

Labor Market Analysis

Greater Colby Area and Thomas County, Kansas

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Wichita State University

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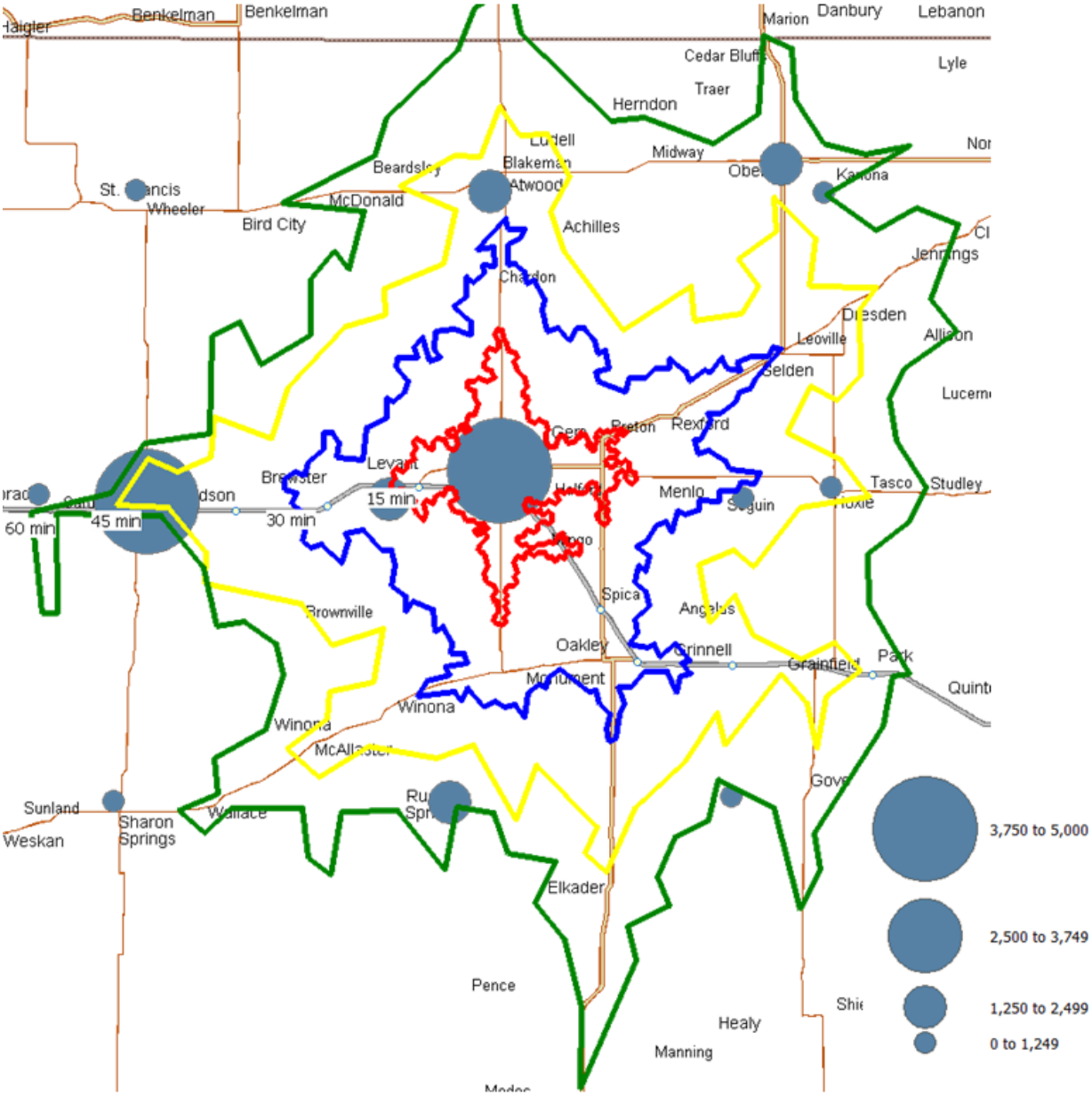
At the request of Thomas County Economic Development, the Center for Economic Development and Business Research, W. Frank Barton School of Business at Wichita State University, has completed the following report designed to identify the size and demographic composition of the labor force in the greater Colby area and the commuter patterns in Thomas County, Kansas.

Labor Force Data – Greater Colby Area

Size of the Labor Force in the Greater Colby Area



Within a 15 to 30 minute driving radius of downtown Colby the size of the labor force increases over 60 percent, from an estimated 3,668 to 5,955 workers. Increasing the drive time from 30 to 45 minutes increases the size of the labor force by an additional 132 percent. However, increasing the drive time from 45 to 60 minutes expands the labor force by only an estimated additional 2,148 participants.

2013 Estimated Labor Force in the Greater Colby Area

Time from Downtown Colby	15 Min.	30 Min.	45 Min.	60 Min.
Population Age 16 and Over	5,257	8,502	16,035	19,589
Labor Force	3,668	5,955	10,799	12,947
Employed	3,480	5,698	10,330	12,414
Unemployed	188	257	469	533
Not in Labor Force	1,555	2,513	5,178	6,583
In Armed Forces	34	34	58	60

Source: Nielsen

The composition of occupations within the employed labor force of the greater Colby area remains very similar with increased drive times from the downtown area. Although the size of the labor force increases, people are generally employed in the same occupations within 15 minutes of downtown, as they are 60 minutes from downtown, with the exception of management, which includes farms and farm management. As would be expected, the number of farm managers increases farther away from downtown Colby.

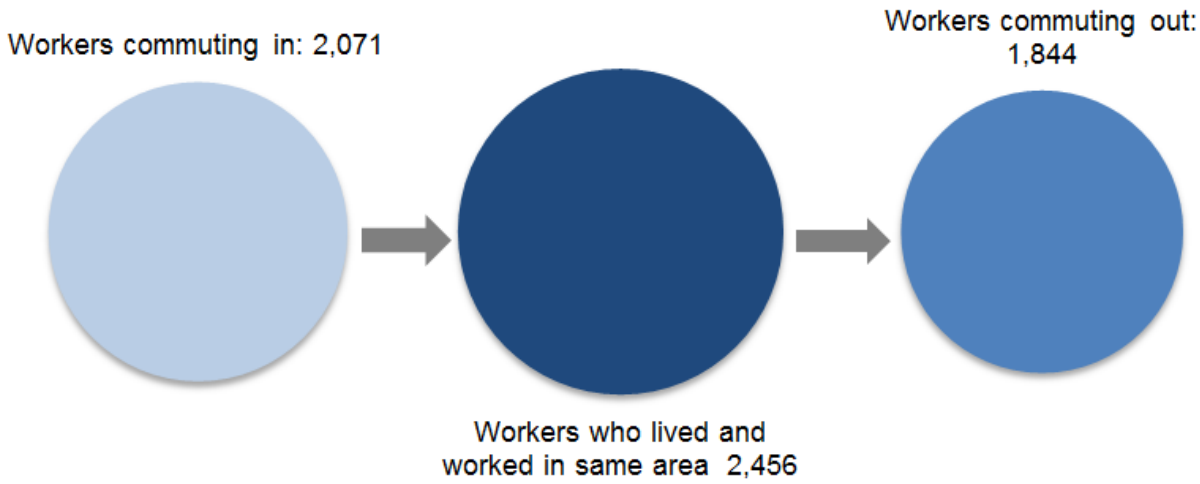
Office staff, transportation and material moving, sales and management account for the majority of occupations across all drive times. Within the 15-minute drive time there is a higher concentration of healthcare support workers.

Within a 60-minute drive time of downtown Colby, the primary occupations of the employed are similar, indicating a similar skill set among workers. However, there are demographic differences associated with longer drive times. The population beyond a 30-minute drive time from downtown Colby generally has a lower level of educational attainment and household income than areas within 30 minutes.

These demographic differences indicate that although there is a significant increase in the size of the labor force between a 30 and 45 minute travel radius, there are a decreasing number of educated workers available. This generally indicates the wage needed to incentivize workers to commute may be lower.

Detailed tables are in Appendix A.

Commuter Patterns – Thomas County, Kansas



Thomas County Kansas

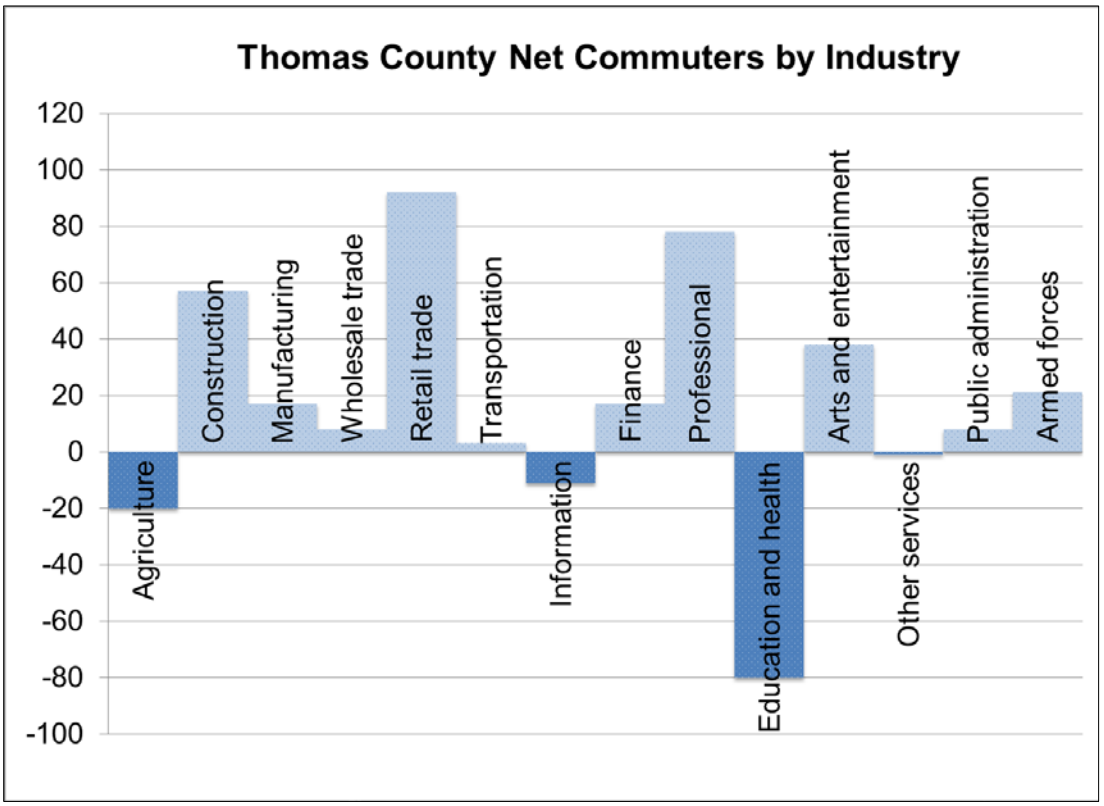
Daytime Population	
Total resident population	7,854
Total workers working in area	4,527
Workers who lived and worked in same area	2,456
Workers commuting in:	2,071
Total workers living in area	4,300
Workers who lived and worked in same area	2,456
Workers commuting out:	1,844
Total daytime population	8,081
Daytime population change due to commuting	227
Worker retention	57.1%
Employment residence ratio	1.05

Source: U.S. Census Bureau, 2008-2012 American Community Survey

An employment residence (ER) ratio is the total number of workers working in an area, relative to the total number of workers living in the area. Ratios greater than 1.00 indicate there were more workers working in the area than living there. Thomas County's ER ratio of 1.05 indicates there were five percent more workers working in the county than living in the county. Thomas County was a net importer of workers, with an estimated increase of 227 workers in the population each day due to commuting activity.

Although Thomas County was a net importer of labor, within the county there were a significant number of workers commuting in and workers commuting out. Worker retention refers to workers who lived and worked in the same area as a percentage of total workers living in the area. This is the number of workers that are not commuting to other areas for work. Thomas County has a relatively low level of worker retention at 57.1 percent, also indicating a high level of outbound commuting.

While Thomas County had a net import of workers, the migration of workers in specific industries may vary. Within each industry, it was assumed that there were both workers commuting in and out. To quantify the net migration of workers in an industry, the number of workers living in an area was subtracted from the number of workers working in an area. The result indicates the net effect of commuting. A positive number indicates there were more workers commuting into an area than out. A negative number indicates there was more outward commuting than inward commuting.



Source: U.S. Census Bureau, 2008-2012 American Community Survey

Thomas County has a net import of workers in all industries, with the exception of agriculture, information, and education and health. The industries with the highest number of workers entering the area for work are construction, retail trade and professional services. Thomas County is a net exporter of workers in education and health. Recruiting business in these industries is likely to have the highest impact on worker retention.

As with variances between industries, there were also differences in commuter patterns by income. Within each income bracket, it was assumed there were both workers commuting in and out. Negative numbers indicate more out-commuters, while a positive number indicates more in-commuters. Thomas County imports workers in all income brackets with the exception of those earning $25,000 to $34,999 and $50,000 to $74,999.

Thomas County Kansas

Percent of Commuters Within Each Income Bracket	
$1 to $9,999 or less	18.9%
$10,000 to $14,999	15.0%
$15,000 to $24,999	49.8%
$25,000 to $34,999	-1.8%
$35,000 to $49,999	12.3%
$50,000 to $64,999	-14.1%
$65,000 to $74,999	3.5%
$75,000 or more	16.3%

Source: U.S. Census Bureau, 2008-2012 American Community Survey

The import or export of a particular class of workers should not be interpreted as a strictly positive or negative event. For example, it is good to have higher income earners, which generally pay more in local taxes, living in an area. In this light an outflow of high income earners may be interpreted positively. However, an outflow of higher income earners may also indicate that local industries are not providing higher wage jobs. Similarly, an inflow of low income workers may indicate the area does not have affordable housing available, or it may indicate a particularly high level of low wage jobs available in the area. The data provided here gives insights as to the flow of commuters in an area, but additional data would be needed to understand the reasons for the commuter flow in a specific area.

Labor Force Participation – Thomas County

The labor force participation rate is the labor force as a percentage of the civilian non-institutional population. This is a measure of the people in an area that are economically active. The labor force is comprised of those employed persons and those persons 16 years and older that are unemployed and have looked for work in the past four weeks. At an average of 67 percent, the labor force participation rates in Thomas County were above the national average rates, which ranged between 64 and 65 percent.

Thomas County Labor Force Participation Rate

	2009	2010	2011	2012
Male	68.7%	70.3%	74.6%	72.6%
Female	62.3%	61.2%	62.8%	61.7%
Total	65.4%	65.6%	68.5%	67.0%

Source: U.S. Census Bureau American Community Survey

The total labor force participation rate for Thomas County increased between 2009 and 2011, and then decreased slightly in 2012, the most recent year for which data is available. However, the increased overall participation can be attributed to a 3.8 percent increase in male participation in the labor force. This was slightly offset by a 0.6 percent decrease in female participation.

There has been an overall increase in employment of 10.5 percent between 2009 and 2012, with the majority of this growth between 2010 and 2011. The largest portion of employment growth can be attributed to the in-migration of workers from other areas, accounting for 6.3 percent of the increase. Increased labor force participation of existing residents and employment of unemployed workers accounted for 3.1 percent and 1.1 percent of the growth, respectively.[1]

Thomas Change in Employment

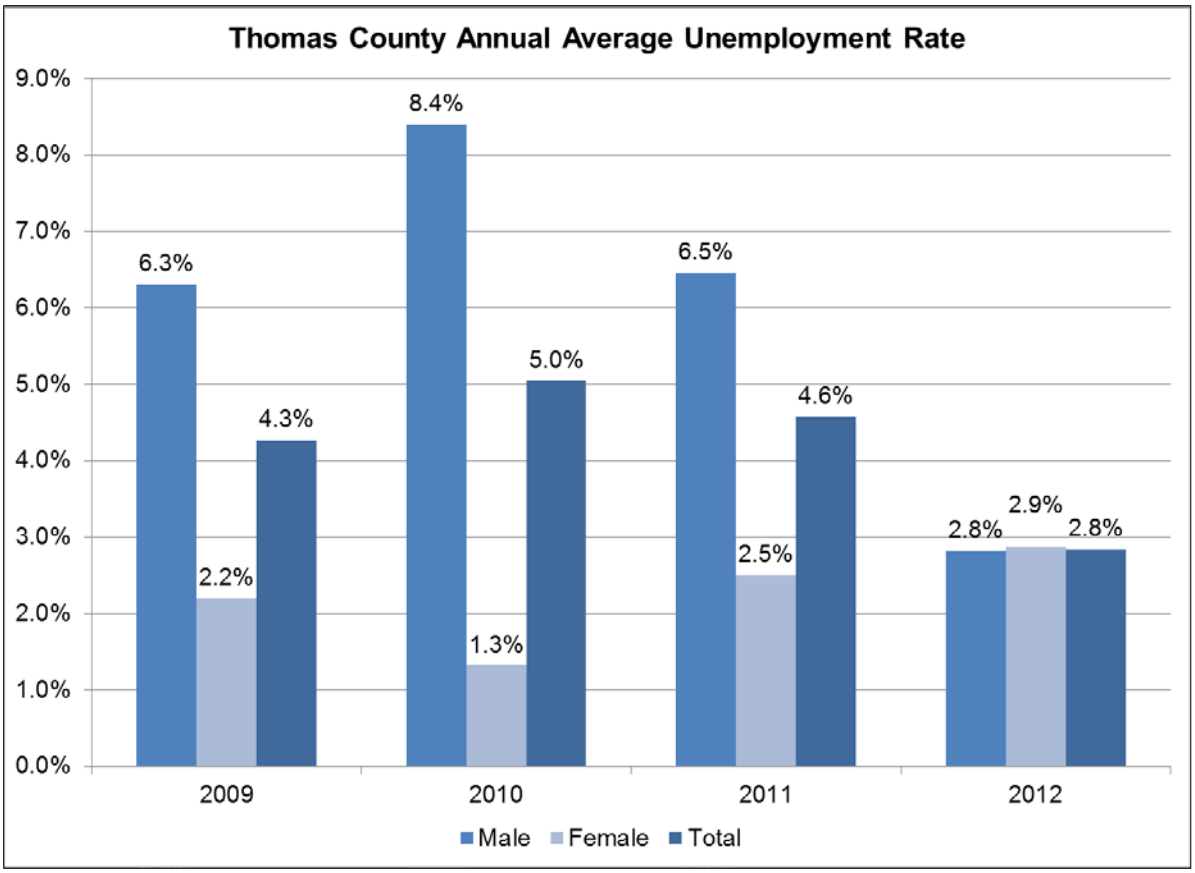
	2010	2011	2012	Total
Change in Employment	**4.3%**	**6.0%**	**0.2%**	**10.5%**
Due to Migration	3.7%	2.4%	0.3%	6.3%
Due to Participation	1.5%	3.5%	-1.9%	3.1%
Due to Change in Unemployed	0.9%	-0.2%	-1.8%	-1.1%

Source: U.S. Census Bureau American Community Survey

This in-migration of workers, at the same time there is an increase in labor force participation and a decrease in unemployment can indicate a very tight labor market with upward pressure on wages. This can be helpful to employees, but potentially problematic for employers.

Although the overall unemployment rate in Thomas County increased dramatically in 2010, the increase can be entirely attributed to increased unemployment of men. Unemployment rates among women remained relatively low between 2009 and 2011. In 2012, the most current year for which data is available, unemployment was very low for both men and women, again, most likely the result of tightening of the labor market.

[1] The overall change in employment is calculated by adding the change due to migration and the change due to participation, and subtracting the change due to unemployment.



Source: U.S. Census Bureau, American Community Survey

In Thomas County, unemployment rates tend to be higher for citizens under 35. However, these rates have decreased between 2009 and 2012. Age groups over 35 tend to experience the lowest levels of unemployment, which may indicate a shortage of experienced workers.

Thomas County Annual Average Unemployment Rate

by Age

	2009	2010	2011	2012
16 to 19 years:	3.7%	9.0%	11.4%	4.9%
20 and 21 years:	11.4%	24.8%	17.8%	4.9%
22 to 24 years:	7.1%	6.5%	11.5%	10.1%
25 to 29 years:	2.5%	7.7%	0.5%	0.2%
30 to 34 years:	1.2%	1.1%	0.0%	2.2%
35 to 44 years:	0.5%	0.4%	0.0%	0.6%
45 to 54 years:	0.2%	0.1%	0.0%	0.0%
55 to 59 years:	0.0%	2.3%	1.7%	1.5%
60 and 61 years:	34.5%	0.0%	0.0%	0.0%
62 to 64 years:	11.2%	12.4%	25.7%	19.4%

Source: U.S. Census Bureau American Community Survey

To summarize, based on the size and demographic composition of the labor force in the greater Colby area and the commuter patterns in Thomas County, it is possible to draw the following conclusions.

- The labor force data indicates the labor market in the Colby area tightened significantly between 2011 and 2012, indicating a shortage of available workers.
- There is a significant increase in the size of the labor force between 30 and 45 minutes around downtown Colby. However, demographic differences in the outlying areas indicate there may not be a large number of educated workers available in those areas.
- Thomas County is a net importer of workers, with a significant level of both inward and outward commuters. Thomas County is a net exporter of workers in education and health. Recruiting business in these industries is likely to have the highest impact on worker retention.
- The unemployed segment of the Thomas County labor force is generally young, under 35 years of age. Recruiting businesses that employ this demographic group is likely to have the highest impact on unemployment.

Appendix A

2013 Estimated Employed Population Age 16 and Over by Occupation

Time from Downtown Colby	15 Min.		30 Min.		45 Min.		60 Min.	
Office and Administrative Support	549	15.7%	791	13.8%	1,410	13.5%	1,651	13.2%
Transportation and Material Moving	372	10.6%	543	9.5%	883	8.5%	1,006	8.0%
Sales and Related Occupations	369	10.5%	583	10.2%	1056	10.1%	1,190	9.5%
Management , Including Farmers and Farm Mgr.	270	7.7%	638	11.1%	1564	15.0%	2,052	16.4%
Building and Grounds Cleaning, and Maint.	223	6.4%	324	5.6%	547	5.3%	611	4.9%
Healthcare Practitioners and Technical	219	6.2%	331	5.8%	569	5.5%	668	5.4%
Service : Personal Care and Service	203	5.8%	316	5.5%	436	4.2%	525	4.2%
Food Preparation and Serving Related	187	5.3%	322	5.6%	467	4.5%	528	4.2%
Education, Training, and Library	154	4.4%	311	5.4%	643	6.2%	801	6.4%
Construction and Extraction	139	4.0%	219	3.8%	441	4.2%	559	4.5%
Business and Financial Operations	130	3.7%	175	3.1%	290	2.8%	355	2.8%
Community and Social Services	102	2.9%	164	2.9%	215	2.1%	236	1.9%
Farming, Fishing, and Forestry	101	2.9%	263	4.6%	436	4.2%	539	4.3%
Installation, Maintenance, and Repair	100	2.8%	228	4.0%	457	4.4%	524	4.2%
Healthcare Support	97	2.8%	138	2.4%	327	3.1%	399	3.2%
Production	71	2.0%	122	2.1%	281	2.7%	325	2.6%
Life, Physical, and Social Science	65	1.8%	67	1.2%	88	0.8%	106	0.9%
Arts, Design, Entertainment, Sports, and Media	61	1.7%	80	1.4%	104	1.0%	155	1.2%
Protective Service	53	1.5%	64	1.1%	91	0.9%	115	0.9%
Architecture and Engineering	24	0.7%	36	0.6%	44	0.4%	56	0.5%
Legal	17	0.5%	20	0.4%	26	0.3%	56	0.5%
Computer and Mathematical	0	0.0%	5	0.1%	40	0.4%	45	0.4%

Source: Nielsen

2013 Estimated Population by Age

Time from Downtown Colby	15 Min.		30 Min.		45 Min.		60 Min.	
Total Estimated Population	6,581		10,644		20,045		24,390	
Age 0 to 4	441	6.7%	694	6.5%	1318	6.6%	1,571	6.4%
Age 5 to 9	408	6.2%	653	6.1%	1232	6.2%	1,473	6.0%
Age 10 to 14	399	6.1%	664	6.2%	1229	6.1%	1,471	6.0%
Age 15 to 17	242	3.7%	425	4.0%	757	3.8%	911	3.7%
Age 18 to 20	514	7.8%	651	6.1%	999	5.0%	1,113	4.6%
Age 21 to 24	412	6.3%	588	5.5%	984	4.9%	1,142	4.7%
Age 25 to 34	844	12.8%	1255	11.8%	2,206	11.0%	2,557	10.5%
Age 35 to 44	654	9.9%	1093	10.3%	2,008	10.0%	2,384	9.8%
Age 45 to 54	802	12.2%	1,364	12.8%	2,582	12.9%	3,175	13.0%
Age 55 to 64	832	12.7%	1,419	13.3%	2,766	13.8%	3,508	14.4%
Age 65 to 74	490	7.5%	885	8.3%	1,893	9.4%	2,399	9.8%
Age 75 to 84	343	5.2%	612	5.8%	1,364	6.8%	1,793	7.4%
Age 85 and over	199	3.0%	341	3.2%	707	3.5%	892	3.7%
Age 16 and over	5,257	79.9%	8,502	79.9%	16,035	80.0%	19,589	80.3%
Age 18 and over	5,091	77.4%	8,208	77.1%	15,509	77.4%	18,963	77.8%
Age 21 and over	4,577	69.6%	7,556	71.0%	14,509	72.4%	17,850	73.2%
Age 65 and over	1,032	15.7%	1,837	17.3%	3,964	19.8%	5,085	20.9%
2012 Median Age	35		39		41		43	
2012 Average Age	38		40		41		42	

Source: Nielsen

2013 Estimated Population Age 25 and Over by Educational Attainment

Time from Downtown Colby	15 Min.		30 Min.		45 Min.		60 Min.	
Total Population Age 25 and Over	4,165		6,969		13,525		16,708	
Less than 9th grade	235	5.6%	326	4.7%	601	4.4%	707	4.2%
Some High School, no diploma	348	8.4%	500	7.2%	772	5.7%	945	5.7%
High School Graduate (or GED)	1,031	24.8%	2,042	29.3%	4,310	31.9%	5,488	32.9%
Some College, no degree	945	22.7%	1,704	24.5%	3,495	25.8%	4,386	26.3%
Associate Degree	605	14.5%	872	12.5%	1,558	11.5%	1,788	10.7%
Bachelor's Degree	680	16.3%	1113	16.0%	2,042	15.1%	2,490	14.9%
Master's Degree	256	6.1%	323	4.6%	579	4.3%	688	4.1%
Professional School Degree	31	0.8%	48	0.7%	74	0.6%	114	0.7%
Doctorate Degree	36	0.9%	41	0.6%	94	0.7%	100	0.6%

Source: Nielsen

2013 Estimated Households by Household Income

Time from Downtown Colby	15 Min.		30 Min.		45 Min.		60 Min.	
Total Households	2,692		4,448		8,677		10,651	
Less than $15,000	399	14.8%	676	15.2%	1,231	14.2%	1,519	14.3%
$15,000 to $24,999	322	12.0%	546	12.3%	1,173	13.5%	1,503	14.1%
$25,000 to $34,999	342	12.7%	537	12.1%	1,177	13.6%	1,414	13.3%
$35,000 to $49,999	341	12.7%	592	13.3%	1,317	15.2%	1,713	16.1%
$50,000 to $74,999	528	19.6%	904	20.3%	1,832	21.1%	2,149	20.2%
$75,000 to $99,999	448	16.6%	647	14.5%	1008	11.6%	1,213	11.4%
$100,000 to $124,999	114	4.2%	235	5.3%	437	5.0%	557	5.2%
$125,000 to $149,999	70	2.6%	119	2.7%	179	2.1%	210	2.0%
$150,000 to $199,999	75	2.8%	103	2.3%	191	2.2%	220	2.1%
$200,000 to $249,999	22	0.8%	33	0.8%	52	0.6%	59	0.6%
$250,000 to $499,999	25	0.9%	43	1.0%	63	0.7%	72	0.7%
$500,000 or more	5	0.19%	13	0.30%	19	0.21%	21	0.19%
Average Household Income	$59,723		$59,419		$55,388		$54,504	
Median Household Income	$47,448		$46,771		$43,630		$42,781	

Source: Nielsen