

**THE
SOMERSET COUNTY, PENNSYLVANIA
AREA
LABOR AVAILABILITY REPORT**

May, 2010

Compiled and Prepared by



THE PATHFINDERS

www.thepathfindersus.com

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INTRODUCTION

The Pathfinders has employed its many years of experience in workforce assessments for corporate site-selection clients and civilian workforce assessments for the Department of Defense in locations that faced military base closures to produce this evaluation of the Somerset County, Pennsylvania area workforce. In site-selection projects, the question that most often drives the search is whether the candidate location has the workforce needed for a new or expanding operation; consequently, an analysis of an area's workforce became a key component of site searches conducted by The Pathfinders. Senior human resources executives from among corporate clients assisted in refining the methodology and report format.

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

The Pathfinders was retained by the Somerset County Economic Development Council to quantify the extent to which both unemployment and underemployment exist in the Somerset County area. This report also represents the objective and professional view of The Pathfinders with regard to workforce quality, availability, costs, experience and skills that a new or expanding employer can expect in the Somerset County region.

The information presented in this report has been developed independently of the client, and the client has not influenced the findings.



KEY FINDINGS

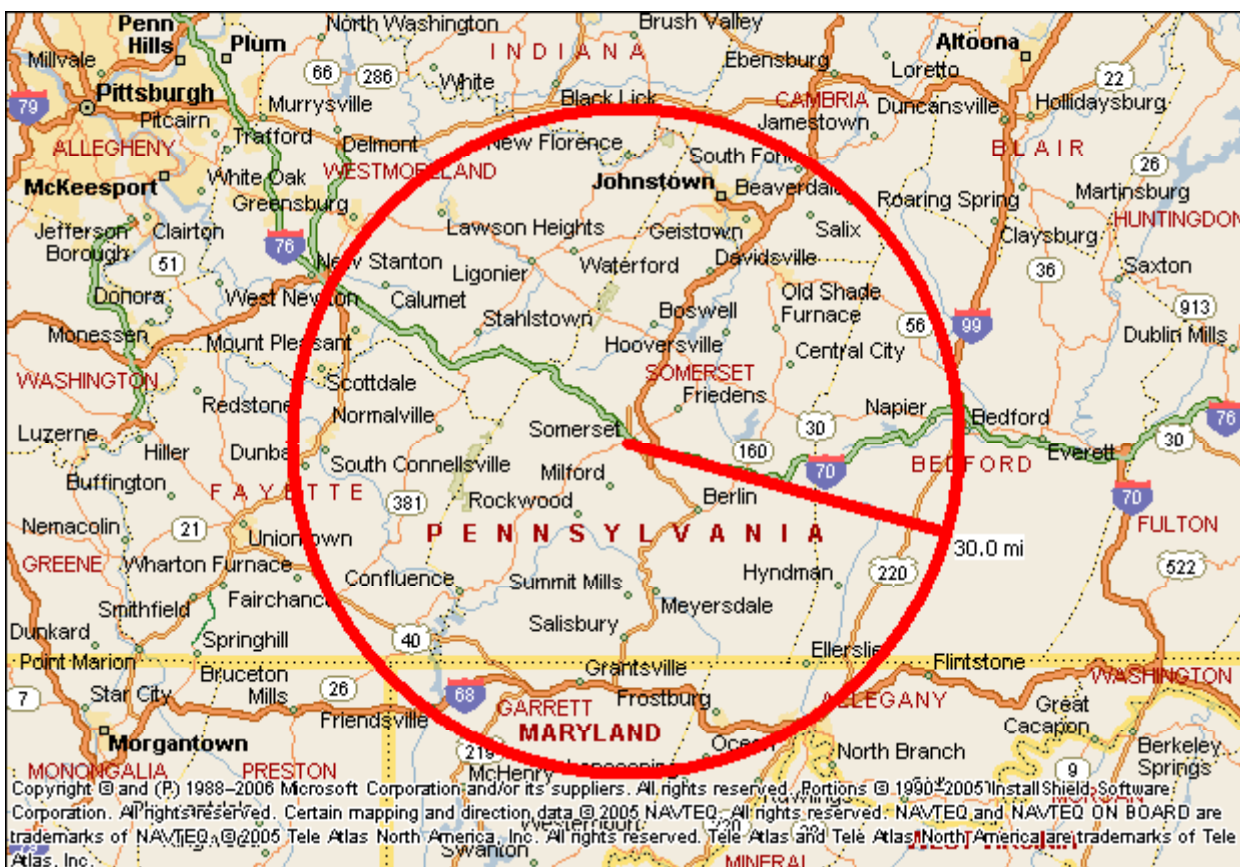
- The Somerset County area, referred to in this report as the “labor shed”, has a household population of approximately 385,400; a civilian labor force of approximately 199,000; and a pool of approximately 18,800 unemployed persons who are actively seeking work.
- The results of this survey indicate that a new or expanding employer will be able to attract employees from an additional pool of about 21,600 underemployed workers.
- The desired pay rates of the underemployed workers are reasonable when compared to their existing pay rates. The median current pay rate of the underemployed workers is \$14.71 per hour, and their median desired pay rate is \$15.76 per hour.
- The median desired pay rate of the unemployed workers who are actively seeking work is \$11.27 per hour.
- Survey results indicate 4% of the underemployed and 1% of unemployed, actively seeking work individuals have less than a high school degree.
- Survey results indicate that the underemployed workers in the labor shed have high levels of experience and skills in office operations, customer service, and maintenance/installation/repair.
- In total, the Somerset County area has approximately 40,400 available workers for new or expanding businesses.



METHODOLOGY

The first step in assessing the workforce of the Somerset County 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 Somerset County 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 a 30-mile radius of the City of Somerset, Pennsylvania.

MAP OF LABOR SHED



Selected online resources were used in this project. Additionally, The Pathfinders conducted interviews with individuals throughout the Somerset County region. Those individuals were proportionally stratified across age, household income, and zip codes. The purpose of these surveys was to ascertain availability for work with a new employer; determine desired pay rates; and, collect information on such factors as age, education, commuting patterns, experience, and skills.

The data obtained as a result of those interviews enabled The Pathfinders to apply and employ a proprietary methodology that accurately determined the existence of underemployment and the quality and characteristics of both the underemployed and unemployed workers in the area. Further, The Pathfinders applied a proprietary process to the analysis of the data to correct for invalid responses. For example, those persons indicating they would take a new job but also indicating the desire for increased or decreased pay that is unreasonable are not included in the results.

It is important to note that companies making location decisions based upon these surveys have reported that when staffing actually began, the numbers reported by The Pathfinders proved to be accurate.



NUMBER OF AVAILABLE WORKERS

The Somerset County Area Labor Shed

The Somerset County area labor shed has a household population of approximately 385,400. The civilian labor force numbers approximately 199,000, and the labor shed contains approximately 18,800 unemployed people who are actively seeking work.

The results of this assessment determined that approximately 21,600 workers can be defined as underemployed: those individuals who are currently working but would take a better job if offered by a new or existing employer and who appear to possess the skills, education, and experience to qualify them to do so. Together with the unemployed, actively seeking work individuals, the Somerset County area has approximately 40,400 available workers for new or existing employers.

TOTAL AVAILABLE WORKERS

Number of underemployed workers	21,600
Number of unemployed, actively seeking work individuals	18,800

Total Number of Workers Available for Employers*	40,400

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



ASSESSMENT OF THE UNDEREMPLOYED WORKFORCE

The Somerset County Area Labor Shed

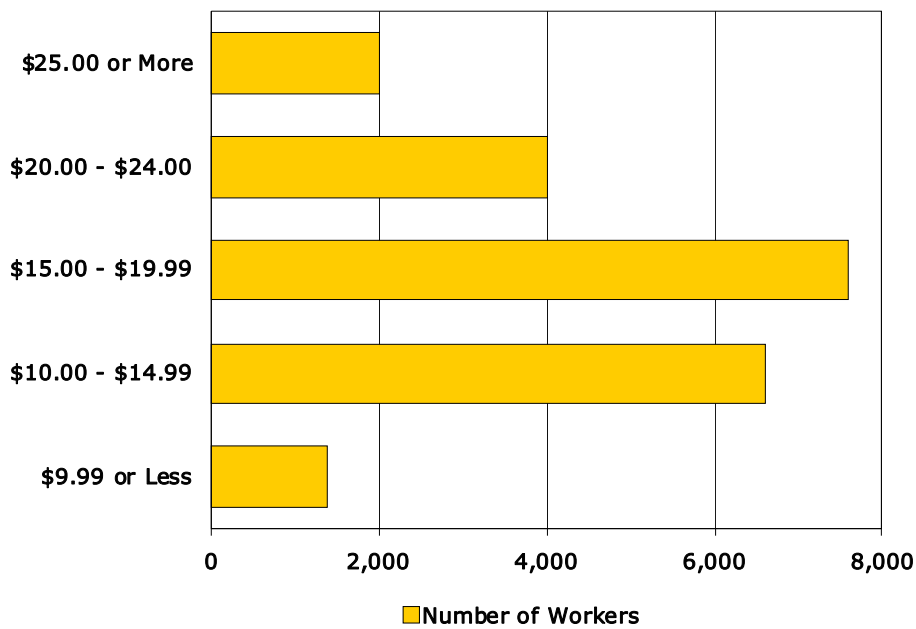
The 21,600 underemployed workers identified in this report might also be termed “upgraders”. They desire to move into an upgraded job and appear to possess the skills, education, and experience to enable them to do so. The following charts represent the desired pay rates of the underemployed individuals in the labor shed. Desired wages are shown by specific rates, range and percentiles.

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

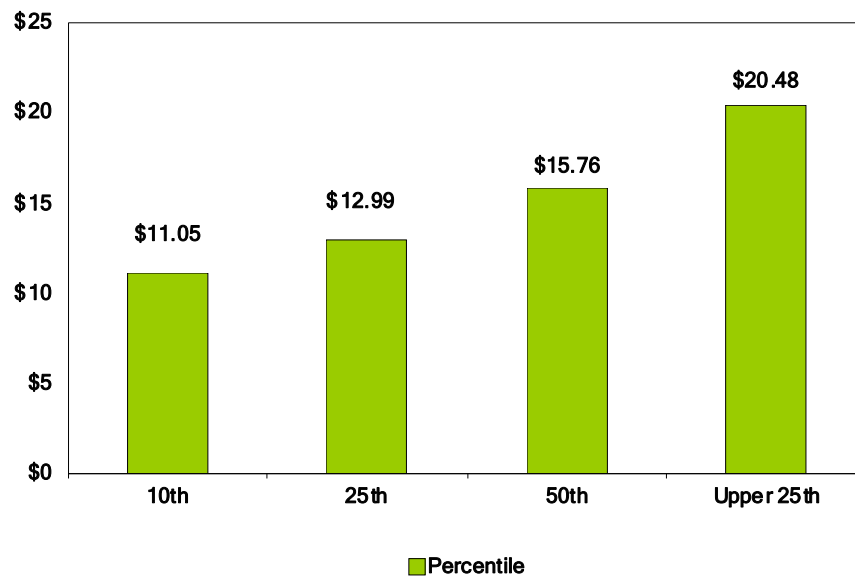
Desired Pay Rate	Number Available
\$8.99 or Less	700
\$9.00 - \$9.99	700
\$10.00 - \$10.99	700
\$11.00 - \$11.99	1,300
\$12.00 - \$12.99	2,000
\$13.00 - \$13.99	1,600
\$14.00 - \$14.99	1,000
\$15.00 - \$15.99	3,700
\$16.00 - \$16.99	1,700
\$17.00 - \$17.99	300
\$18.00 - \$18.99	1,600
\$19.00 - \$19.99	300
\$20.00 - \$20.99	1,300
\$21.00 - \$21.99	700
\$22.00 - \$22.99	700
\$23.00 - \$23.99	300
\$24.00 - \$24.99	1,000
\$25.00 or More	2,000



DESIRED WAGE RATES PER HOUR BY RANGE
21,600 Underemployed Workers



DESIRED WAGE RATES PER HOUR BY PERCENTILE
21,600 Underemployed Workers



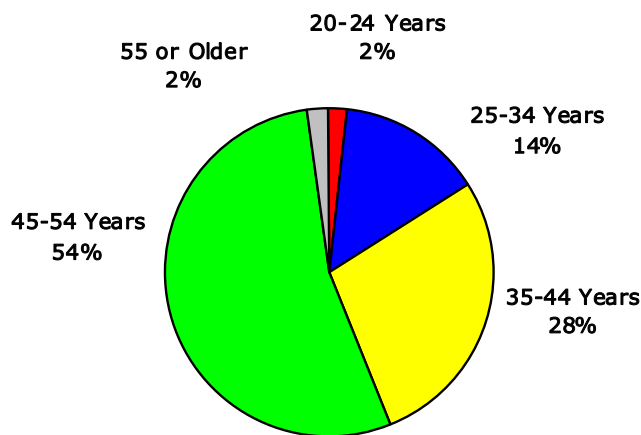
CHARACTERISTICS OF UNDEREMPLOYED WORKERS

The Somerset County Area Labor Shed

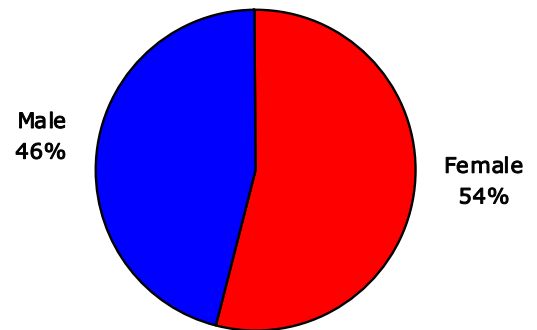
21,600 Underemployed Workers

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

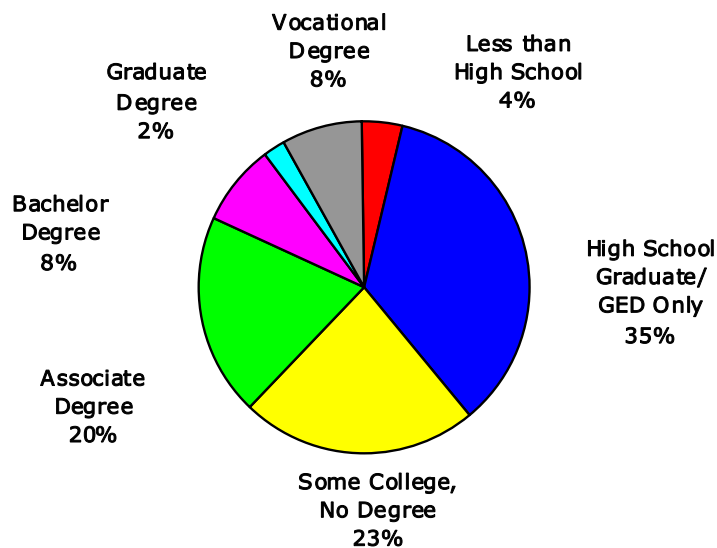
AGE - Average 44 Years



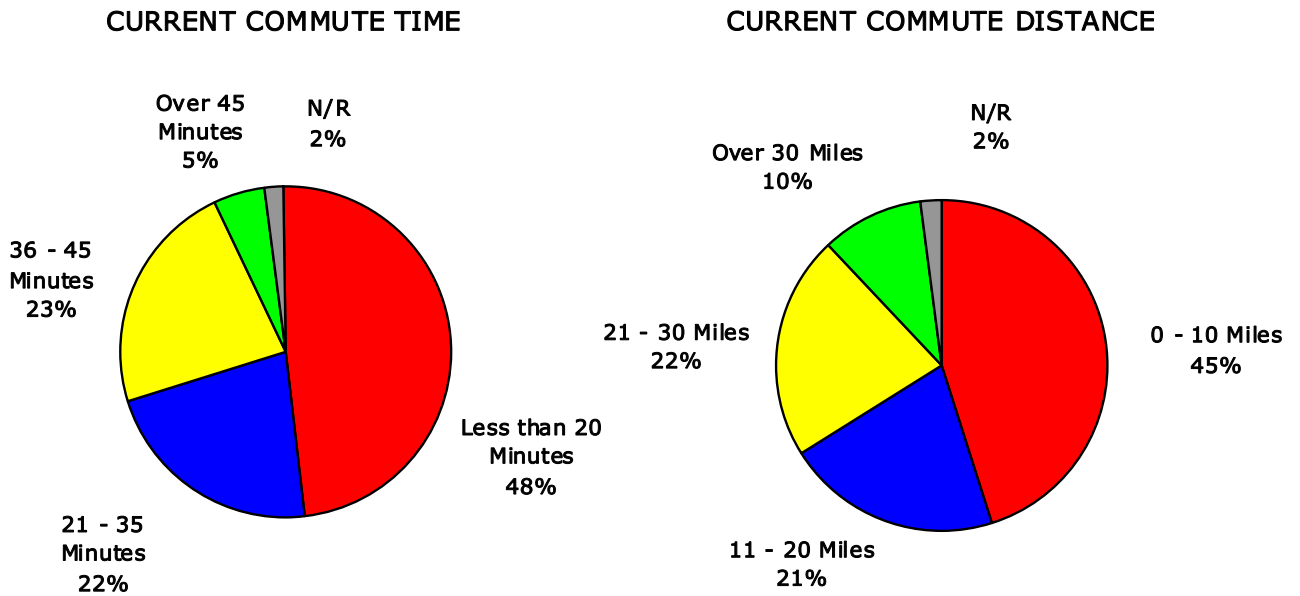
GENDER



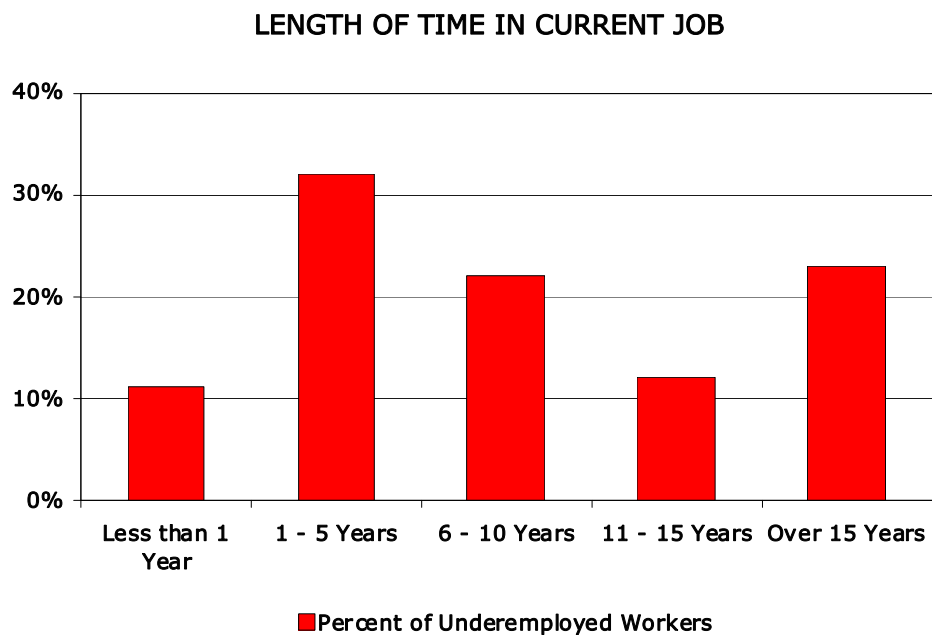
EDUCATION



CHARACTERISTICS OF UNDEREMPLOYED WORKERS 21,600 Underemployed Workers



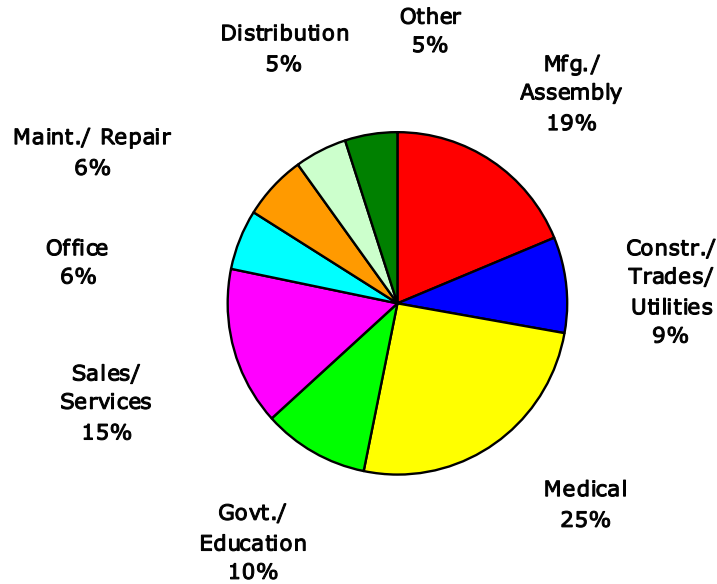
The average commute time of the underemployed workers in the labor shed is 24 minutes, and the average current commute distance is 19 miles.



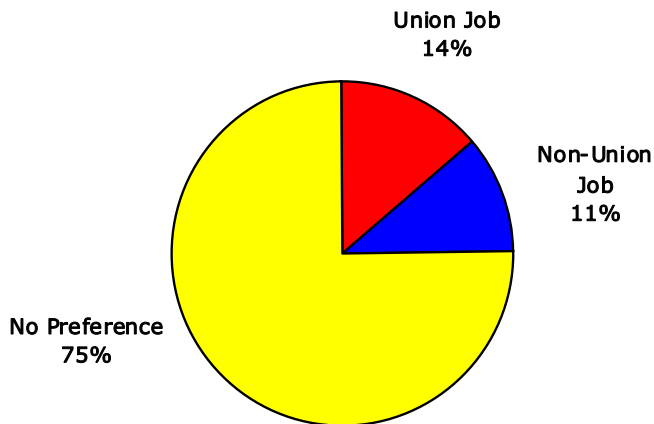
CHARACTERISTICS OF UNDEREMPLOYED WORKERS

21,600 Underemployed Workers

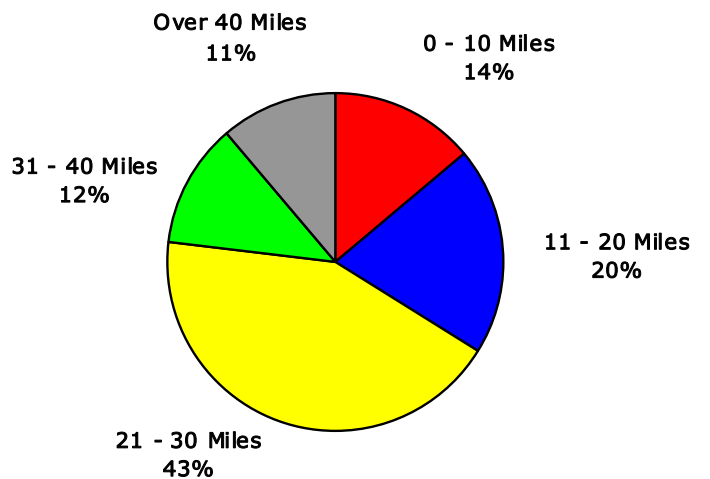
CURRENT AREA OF EMPLOYMENT



UNION PREFERENCE



MILES WILLING TO COMMUTE Average 28 Miles



EXPERIENCE AND SKILLS – UNDEREMPLOYED WORKERS**21,600 Underemployed Workers**

Experience Category*	Number of Workers (Rounded)	Percentage of Total	Average Years of Experience
Office Operations	14,300	66%	11
Customer Service	11,700	54%	11
Warehouse/Distribution/Transportation	11,200	52%	10
Manufacturing/Assembly/Fabrication	11,000	51%	9
Maintenance/Installation/Repair	9,900	46%	11
Medical/Health Sciences	8,400	39%	11
Information Technology	7,600	35%	9
Call Center	5,000	23%	8
Agriculture	3,000	14%	10
Mining	2,400	11%	14

Skills Category*	Number of Workers (Rounded)	Percentage of Total
Office Operations	13,000	60%
Maintenance/Installation/Repair	11,900	55%
Manufacturing/Assembly/Fabrication	11,000	51%
Warehouse/Materials Handling	10,800	50%
Information Technology	9,700	45%
Technician/Quality Assurance	9,300	43%
Medical/Health Sciences	8,400	39%
Electronics/Engineering	6,000	28%
Agriculture	4,800	22%
Mining	2,600	12%

* It should be noted that individuals polled normally have experience and/or skills in multiple categories.



FACTORS AFFECTING JOB DESIRABILITY / CURRENT BENEFITS

21,600 Underemployed Workers

In an effort to identify those factors most important to the Somerset County area's underemployed workers relative to consideration of an employer's desirability and a potential job change, the respondents were asked to rate the following job factors on a scale of 1 to 5.

Factor	5 Extremely Important	4 Very Important	3 Important	2 Somewhat Important	1 Not Important
Retirement Benefits	70%	17%	9%	2%	2%
Salary	69%	18%	8%	3%	2%
Insurance Benefits	66%	22%	8%	2%	2%
Opportunity for Advancement	48%	25%	20%	5%	2%
Location	40%	31%	18%	6%	5%
Physical Working Environment	34%	23%	32%	5%	6%
Paid Training Programs	29%	29%	28%	12%	2%
Flexible Working Schedule	29%	29%	24%	15%	3%

As a complement to the above, the underemployed workers were surveyed as to what benefits they receive in their current jobs.

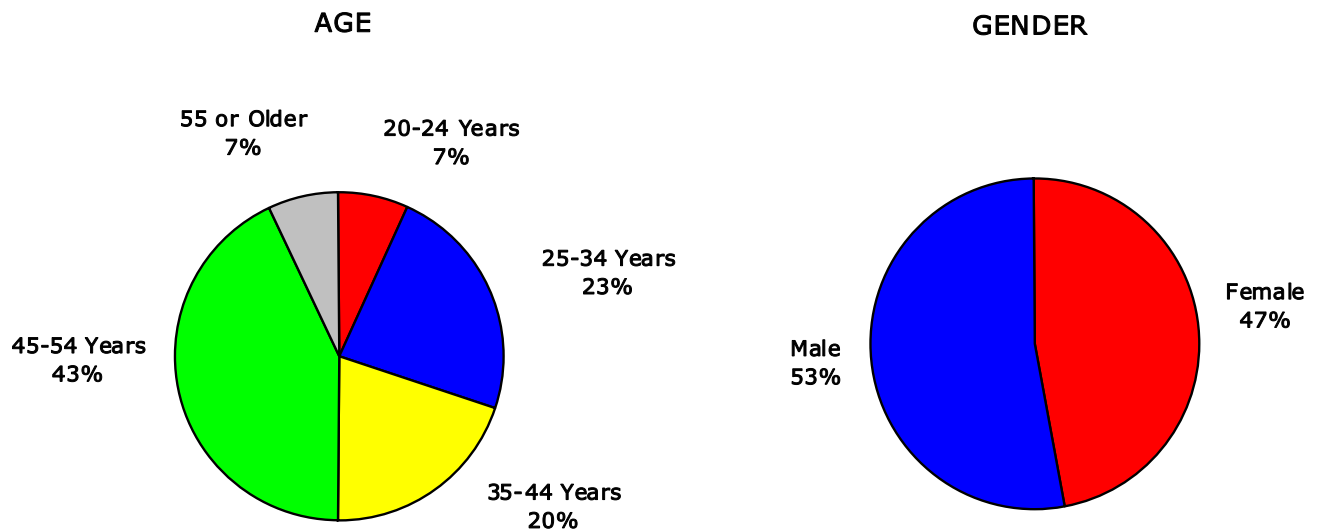
Current Job Benefits	Percentage of Total
Paid Time Off (including vacation, holidays, personal days, etc.)	88%
Paid Insurance	83%
Financial Plans	83%
None	9%



ASSESSMENT OF THE UNEMPLOYED, ACTIVELY SEEKING, WORKFORCE The Somerset County Area Labor Shed

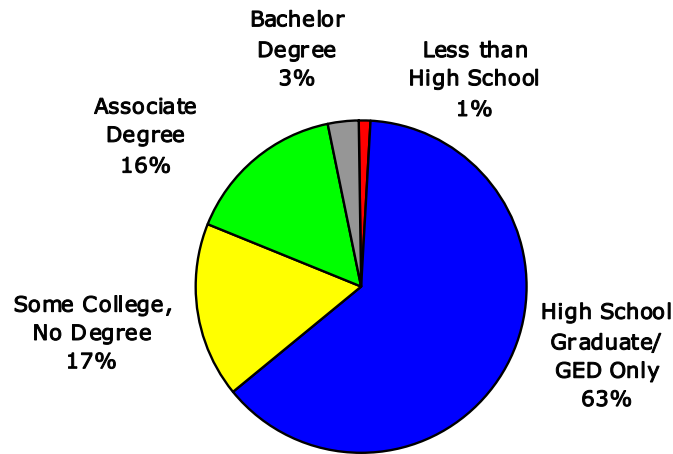
Published statistics document 18,800 unemployed workers in the labor shed who are actively seeking work. This number could possibly be higher due to individuals looking for work who are not on the roles of the state unemployment agencies. **The determinations for this segment of the workforce have a larger statistical variance than that for the underemployed.**

According to survey results, the following charts provide information on those unemployed workers in the labor shed who are actively seeking work. **As these data relate solely to those individuals in the labor shed who are unemployed, they will vary from data representative of the population and civilian labor force as a whole.** In the Somerset County labor shed, according to published sources, there are approximately 18,800 individuals who are actively seeking work. These individuals are fairly equal in gender, and their average age is 42 years.

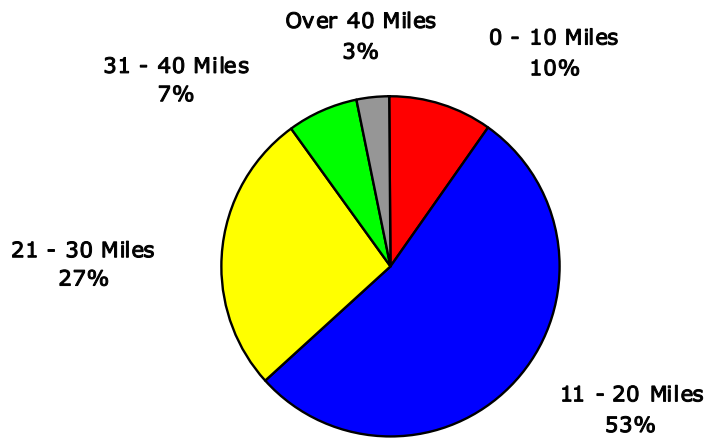


CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS, ACTIVELY SEEKING 18,800 Workers

EDUCATION



MILES WILLING TO COMMUTE – Average 22 Miles



The median desired pay rate of the unemployed workers in the labor shed who are actively seeking work is \$11.27 per hour.



CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS, ACTIVELY SEEKING 18,800 Workers

Experience Category*	Number of Individuals (Rounded)	Percentage of Total	Average Years of Experience
Maintenance/Installation/Repair	11,300	60%	9
Manufacturing/Assembly/Fabrication	10,000	53%	8
Customer Service	10,000	53%	8
Office Operations	10,000	53%	7
Warehouse/Distribution/Transportation	8,800	47%	10
Agriculture	4,300	23%	8
Information Technology	3,200	17%	4
Medical/Health Sciences	1,900	10%	10
Call Center	1,300	7%	2
Mining	1,300	7%	5

Skills Category*	Number of Individuals (Rounded)	Percentage of Total
Warehouse/Materials Handling	10,700	57%
Manufacturing/Assembly/Fabrication	10,000	53%
Office Operations	9,400	50%
Maintenance/Installation/Repair	8,100	43%
Agriculture	4,300	23%
Electronics/Engineering	3,800	20%
Medical/Health Sciences	3,200	17%
Technician/Quality Assurance	3,000	16%
Information Technology	2,400	13%
Mining	1,900	10%

* It should be noted that individuals polled normally have experience and/or skills in multiple categories.

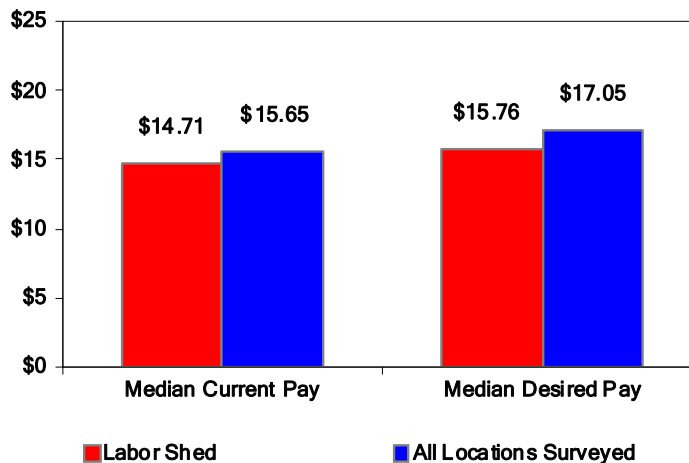


NATIONAL COMPARISONS OF UNDEREMPLOYED WORKFORCE

This section of the report provides comparisons of the pay rates, experience and skills of the labor shed’s underemployed workforce with the underemployed workforces in other areas previously surveyed by The Pathfinders. A prospect company considering the Somerset County region as a location will judge its workforce on a comparative basis. The comparative data for other locations used in the following charts reflect information accumulated over the past eighteen months. The Pathfinders maintains a continuing database of over 700 surveyed counties and communities and more than 30 million workers. In the charts, the Somerset County region is referred to as “labor shed”.

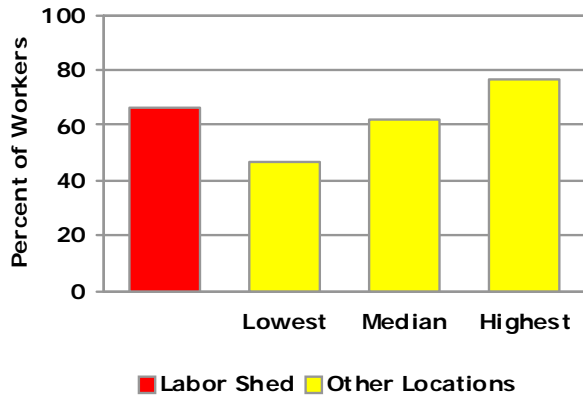
The chart below illustrates the median current and desired wages of the underemployed workers in the Somerset County labor shed as compared to those underemployed workers in all locations surveyed by The Pathfinders over the past eighteen months. As indicated, the median current pay of all surveyed, underemployed workers over the past eighteen months is \$15.65 per hour, and the median desired pay of these workers is \$17.05 per hour. As shown, survey results indicate that the Somerset County region’s underemployed workers have lower pay rates in both median current pay and desired pay than other locations surveyed.

COMPARISON OF MEDIAN CURRENT / DESIRED WAGES (per hour)

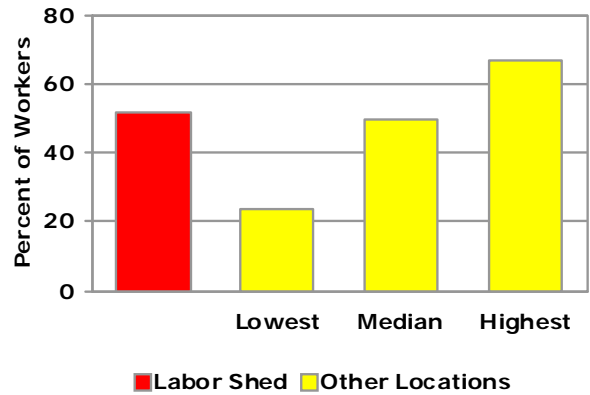


**COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS
The Somerset County Area /
Locations Surveyed Over the Past 18 Months**

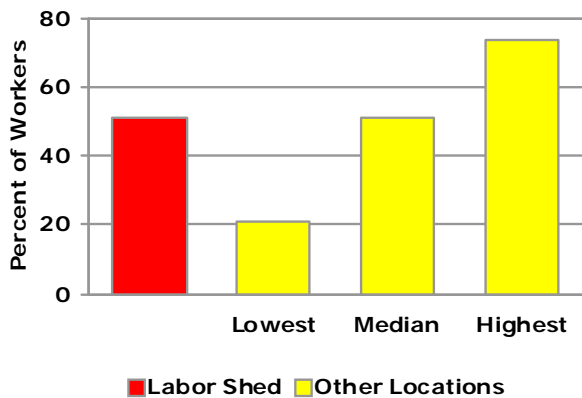
OFFICE



**WAREHOUSE / DISTRIBUTION /
TRANSPORTATION**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



**MEDICAL /
HEALTH SCIENCES**

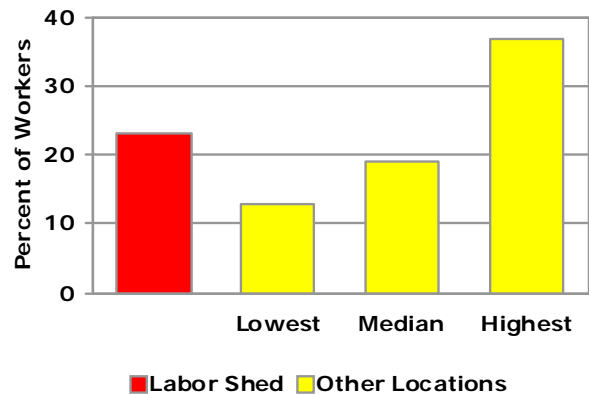


**COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS
The Somerset County Area /
Locations Surveyed Over the Past 18 Months**

**MAINTENANCE /
INSTALLATION / REPAIR**



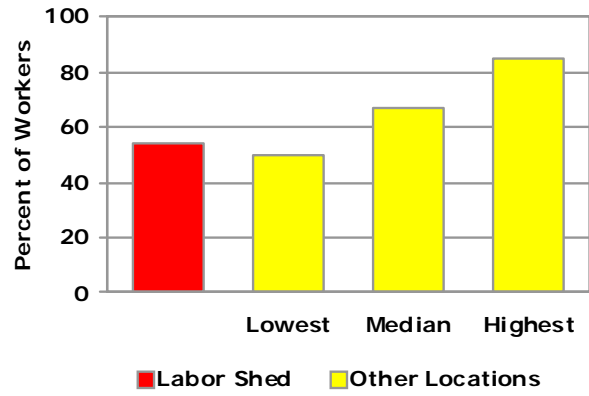
CALL CENTER



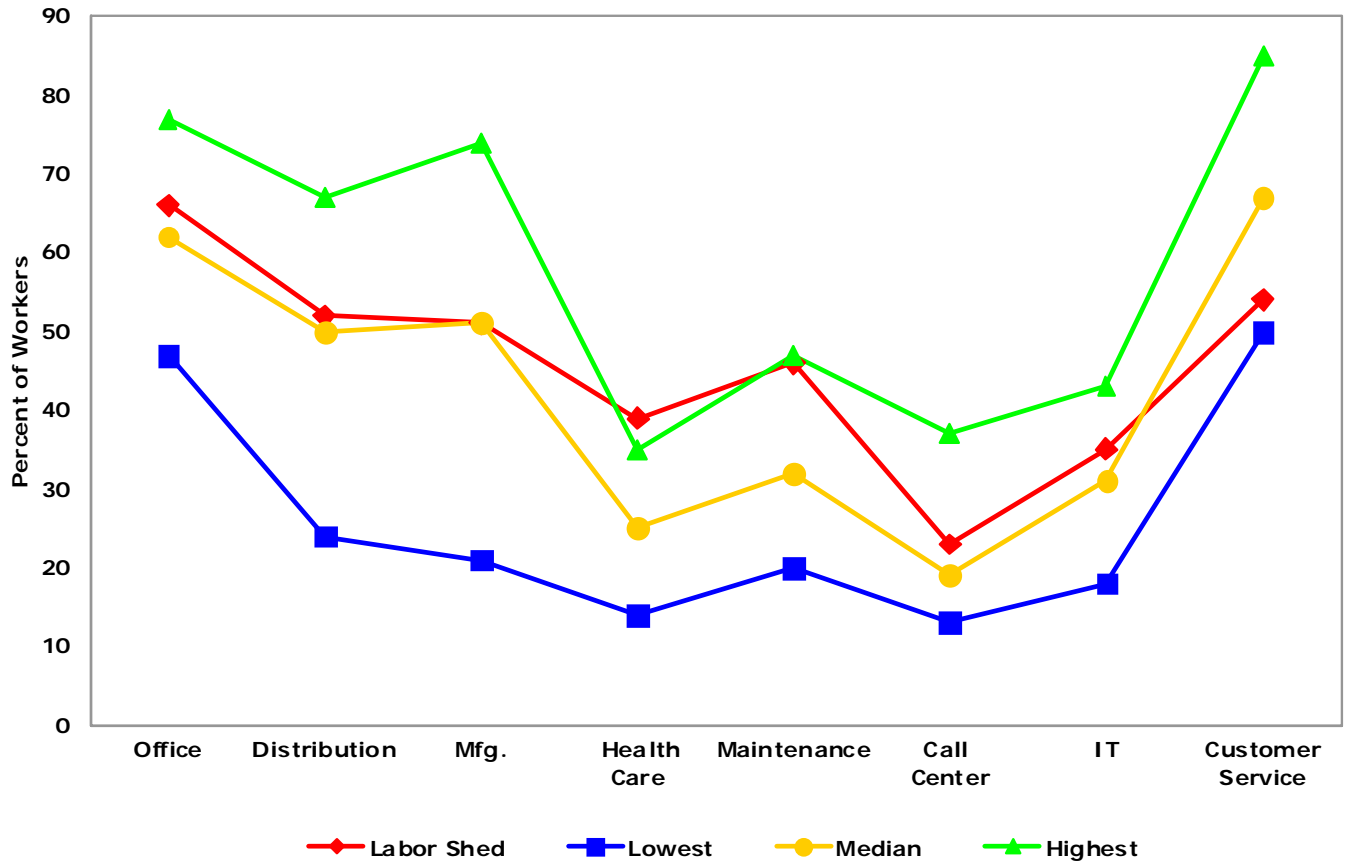
INFORMATION TECHNOLOGY



CUSTOMER SERVICE

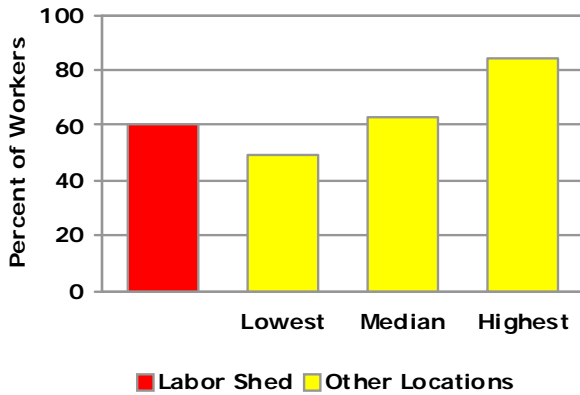


SUMMARY COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS
The Somerset County Area /
Locations Surveyed Over the Past 18 Months

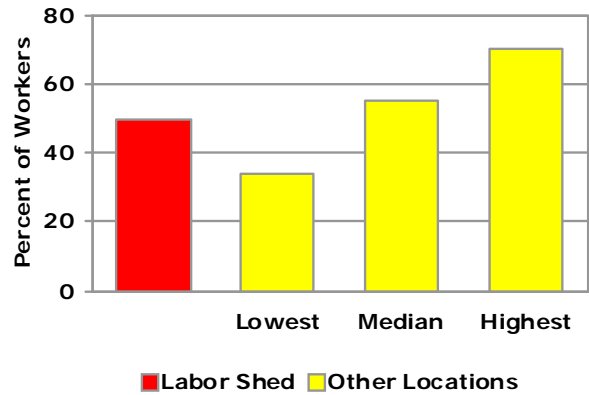


**COMPARISON OF SKILLS
UNDEREMPLOYED WORKERS
The Somerset County Area /
Locations Surveyed Over the Past 18 Months**

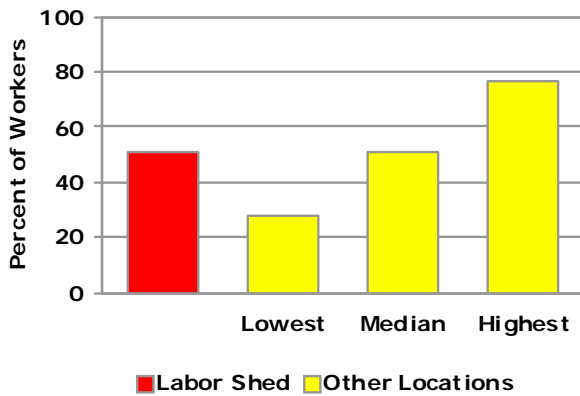
OFFICE



**WAREHOUSE /
MATERIALS HANDLING**



**MANUFACTURING / ASSEMBLY /
FABRICATION**

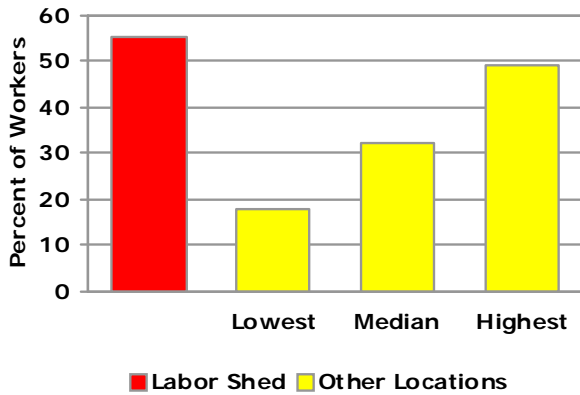


**MEDICAL /
HEALTH SCIENCES**



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

**MAINTENANCE /
INSTALLATION / REPAIR**



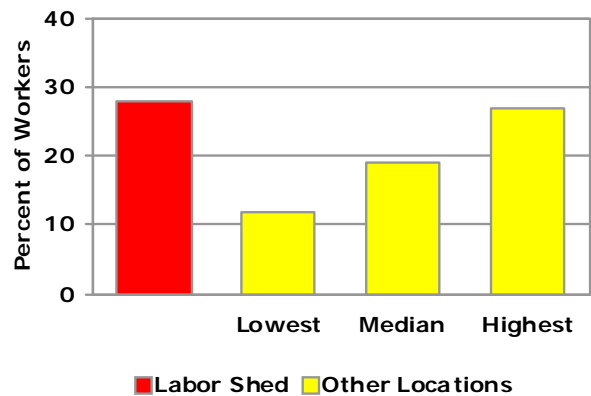
**TECHNICIAN / QUALITY
ASSURANCE**



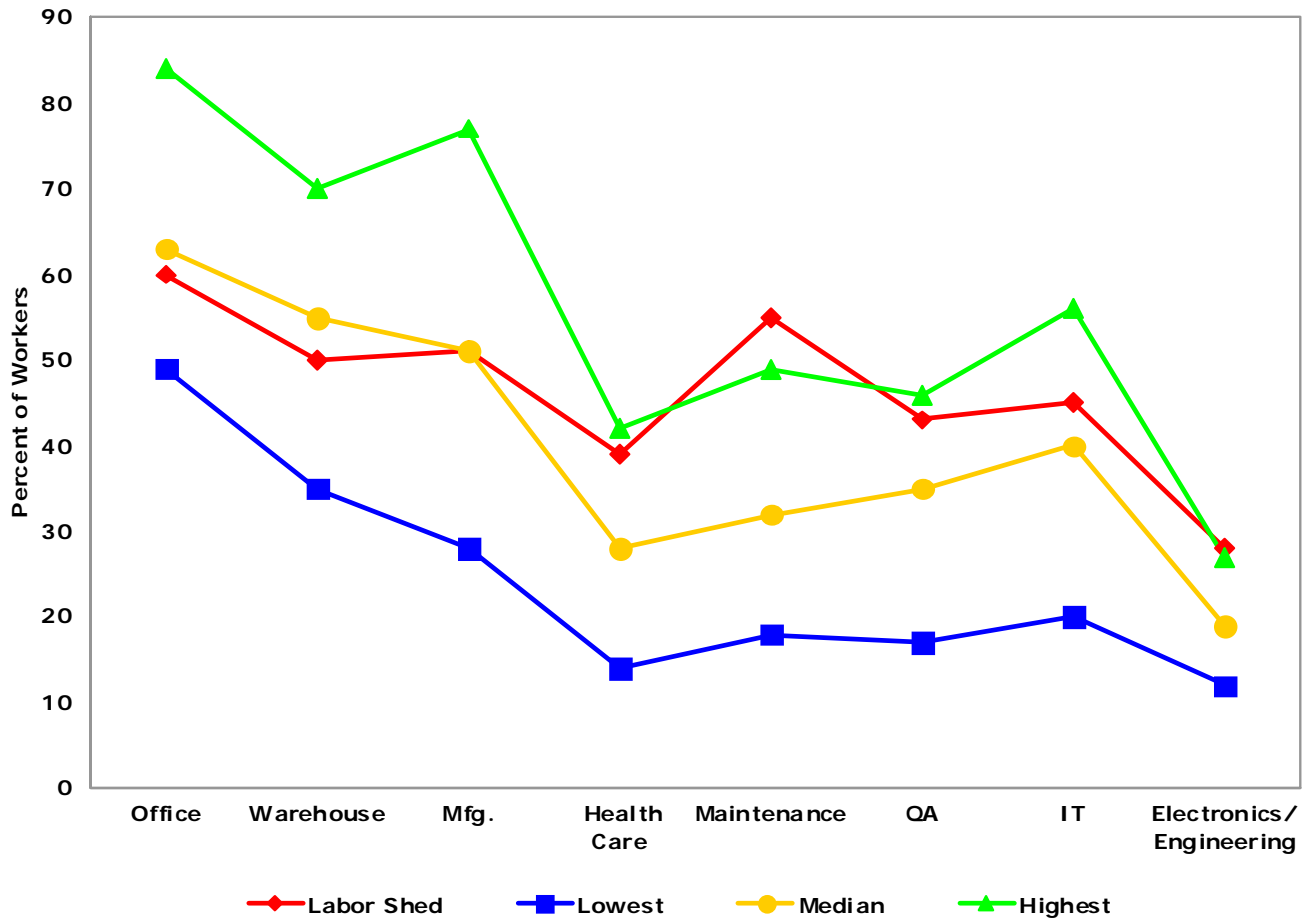
INFORMATION TECHNOLOGY



**ELECTRONICS /
ENGINEERING**



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



EMPLOYERS' VIEWS OF THE THE SOMERSET COUNTY AREA TOTAL WORKFORCE

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

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

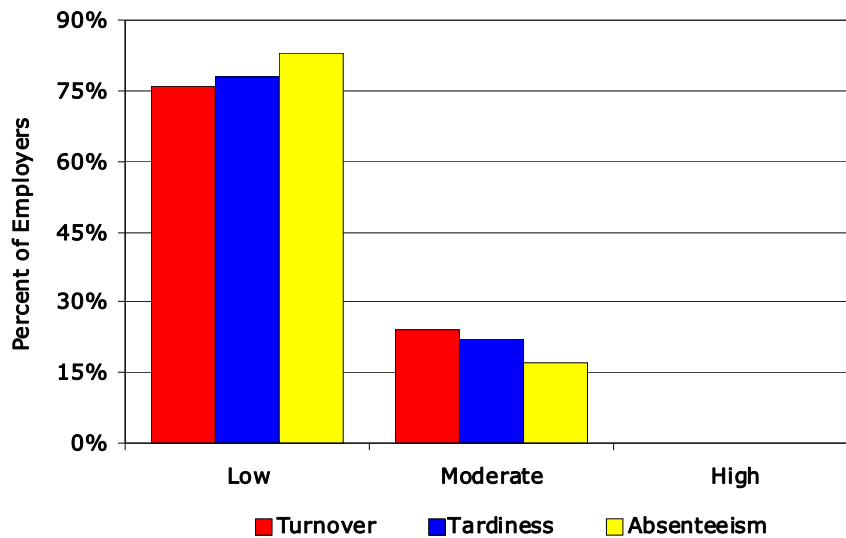
Recruiting Methods – Hourly Workers	% of Employers
Newspaper Ads	61%
State Agency	33%
Word of Mouth	33%
Internet	22%
Walk-Ins	17%

Recruiting Methods – Salaried Workers	% of Employers
Newspaper Ads	72%
Internet	39%
Word of Mouth	33%
State/Federal Agency	33%
Walk-Ins	17%

56% of the employers interviewed stated their companies had operations in other regions of the United States. Of these employers, those familiar with the workforces in those other locations reported that their Somerset County area operations were comparable to or better than the other regions in terms of profitability and production.

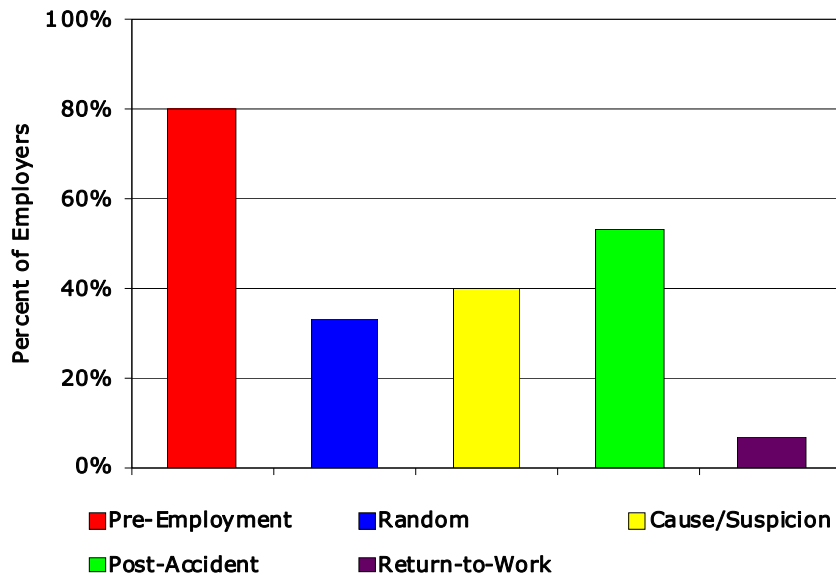
Based upon the experience of The Pathfinders in evaluating labor forces in numerous locations, a definite correlation between productivity, absenteeism, tardiness, turnover, and substance abuse appears to exist. That correlation goes beyond the fact that an absent worker is obviously unproductive. Rather, those factors are indicative of an employee’s attitude toward the job. The employers surveyed in this study were asked to rate turnover, tardiness and absenteeism among their workers as “Low”, “Moderate” or “High”. Further, they were surveyed as to their substance abuse testing practices and asked to rate substance abuse among the area workforce. The following charts illustrate the percent of employers’ ratings for these factors.

EMPLOYERS’ RATINGS
TURNOVER / TARDINESS / ABSENTEEISM

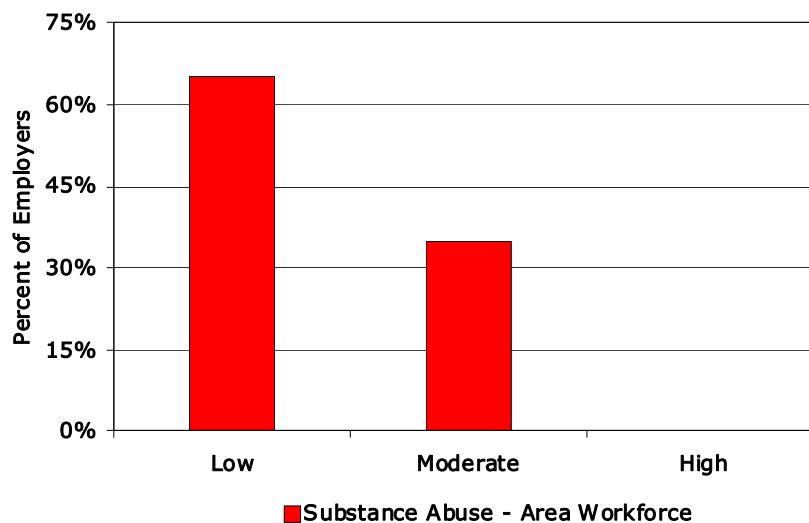


In the Somerset County labor shed, 83% of the employers interviewed stated their companies tested for substance abuse, using one or more of the following practices:

SUBSTANCE ABUSE TESTING PRACTICES

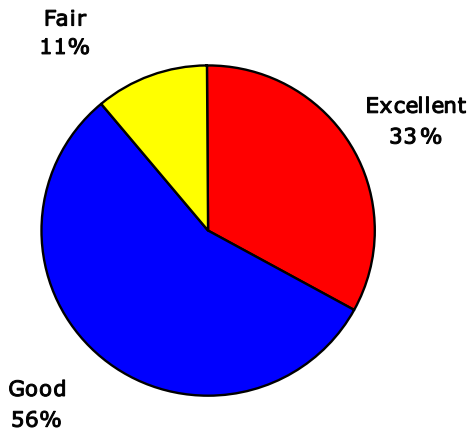


SUBSTANCE ABUSE RATING – AREA WORKFORCE

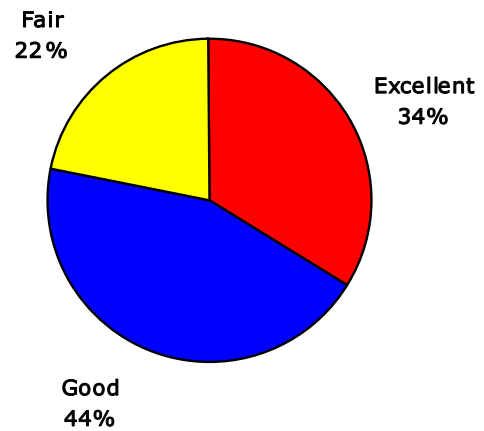


In consideration of all factors, 89% of the employers in the Somerset County area rated the productivity of the workforce as "Good" to "Excellent". Worker attitudes received high marks from 95% of the employers.

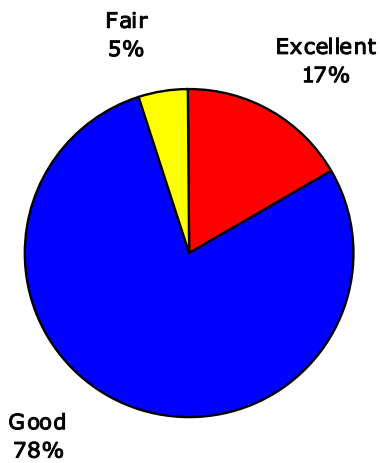
WORKER PRODUCTIVITY



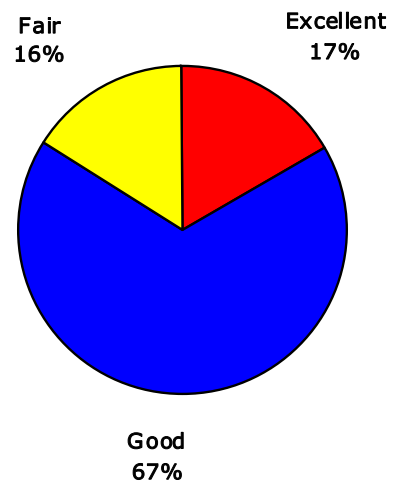
WORKER RELIABILITY



WORKER ATTITUDES

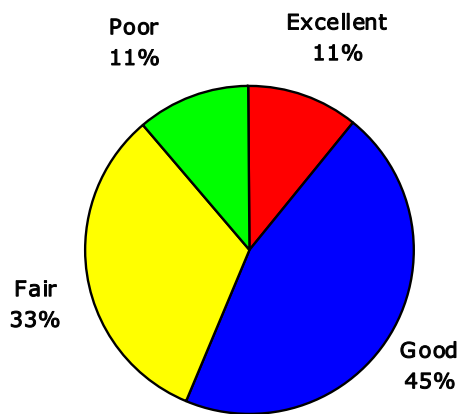


TEAMWORK SKILLS

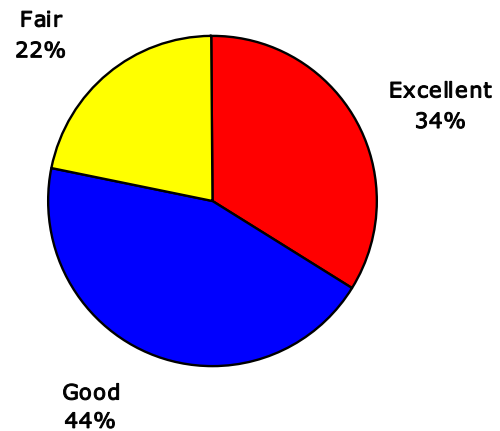


The educational competencies of employees are additional factors used to evaluate an area’s labor force. In the Somerset County area, 56% of the employers interviewed rated the local public schools as “Excellent” or “Good”, and 78% of the employers rated the local community colleges and technical schools as “Excellent” or “Good”. Ratings for basic skills and other factors are also shown.

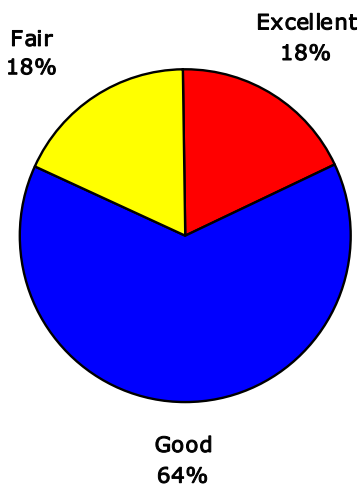
LOCAL PUBLIC SCHOOLS



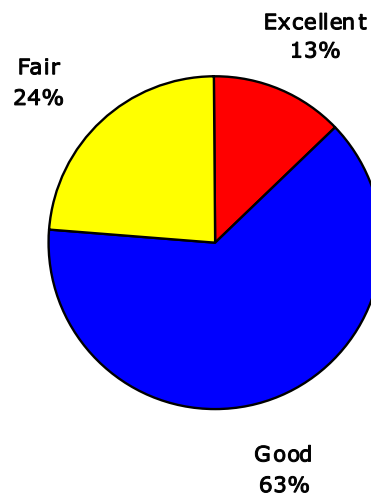
LOCAL COMMUNITY COLLEGES AND TECH SCHOOLS



READING SKILLS

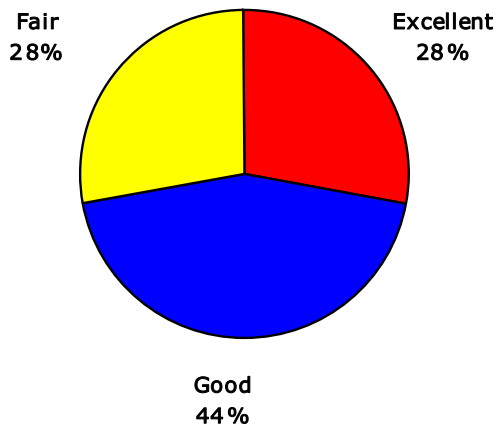


WRITING SKILLS

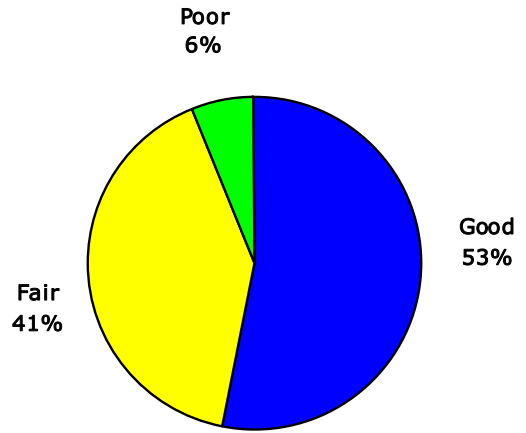


EMPLOYERS' RATINGS The Somerset County Area Labor Shed

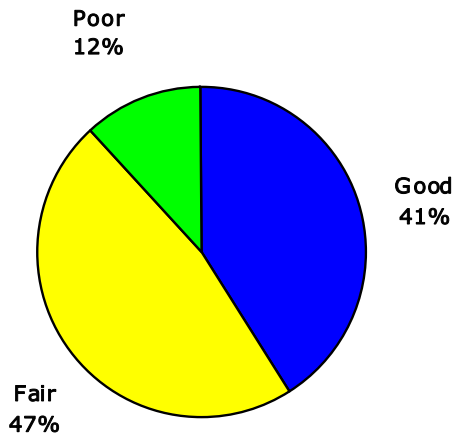
MATH SKILLS



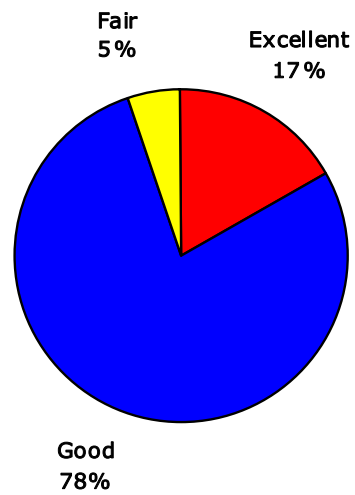
ENTRY LEVEL SKILLS



JOB READINESS SKILLS



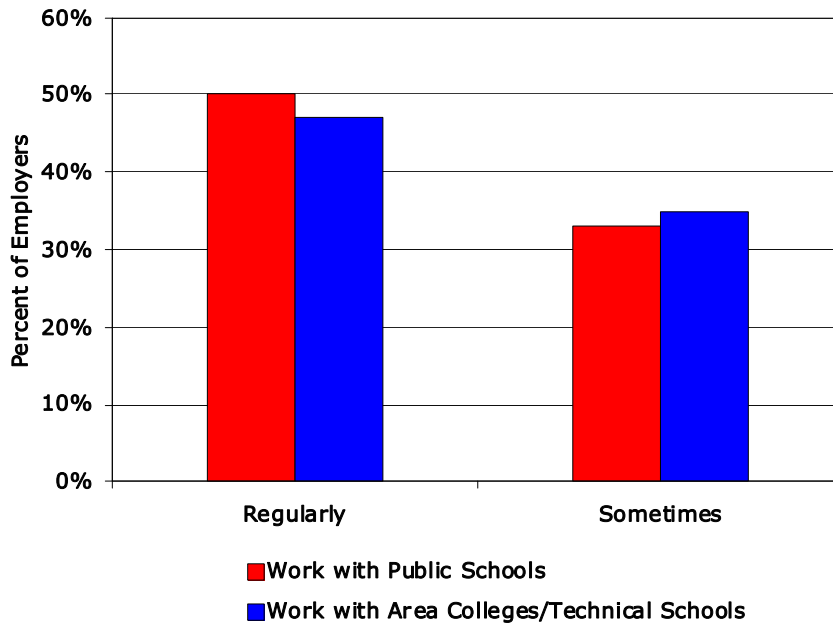
WORKER TRAINABILITY



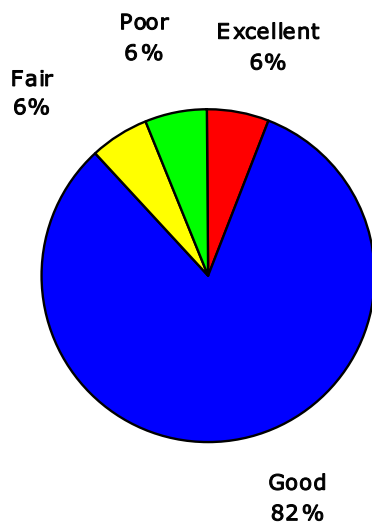
EMPLOYERS' RATINGS

The Somerset County Area Labor Shed

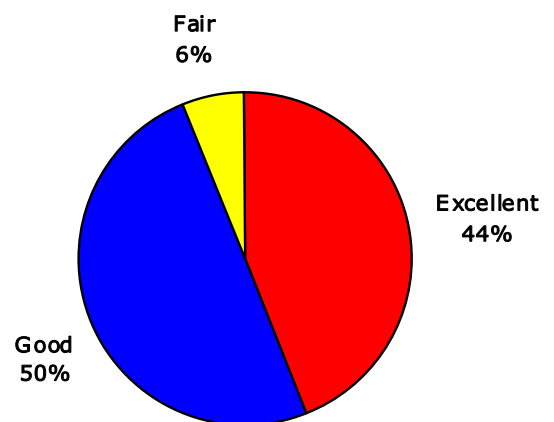
Additionally, many of the employers interviewed stated their companies worked with the area educational institutions in terms of co-ops, apprenticeships, internships or other training programs.



AREA BUSINESS CLIMATE

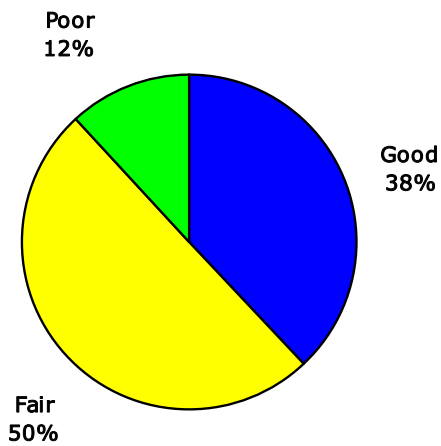


AREA QUALITY OF LIFE

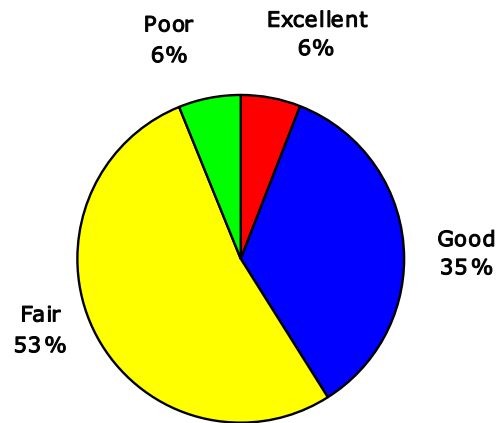


A common employer complaint relates to the shortage of skilled and technical workers. These workers are in great demand and difficult to find in the vast majority of locations. Of the companies in the labor shed interviewed, 38% considered skilled worker availability to be "Good", while 50% considered it to be "Fair". The availability of technical workers in the labor shed was rated "Excellent" or "Good" by 41% of the interviewed companies and "Fair" by 53%. The ratings for availability of unskilled and professional workers are also illustrated in the pie charts below.

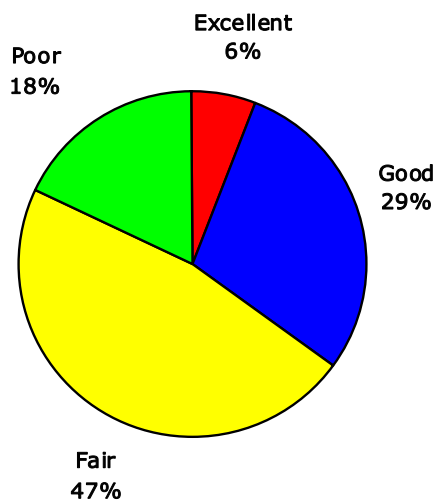
SKILLED WORKERS AVAILABILITY



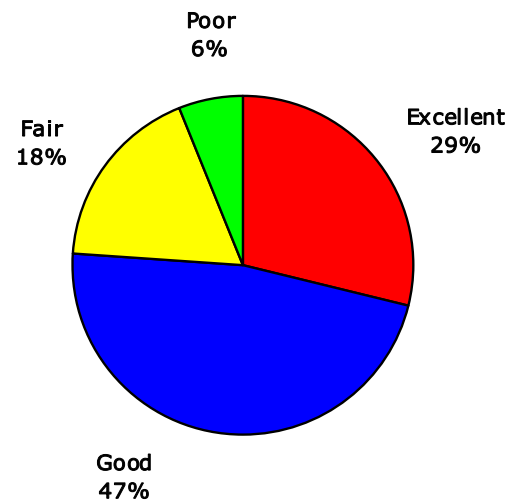
TECHNICAL WORKERS AVAILABILITY



PROFESSIONAL WORKERS AVAILABILITY



UNSKILLED WORKERS AVAILABILITY





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