

**THE
BOONE AND WINNEBAGO COUNTIES,
ILLINOIS AREA
LABOR AVAILABILITY REPORT**

January, 2007

**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 Boone and Winnebago Counties 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 Boone and Winnebago Counties 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 Boone and Winnebago Counties region.



SUMMARY OF FINDINGS

- The Boone and Winnebago Counties area, referred to in this report as the “labor shed”, has a household population of approximately 807,300 and a civilian labor force of approximately 434,800.
- The labor shed has a pool of approximately 16,800 unemployed persons who are actively seeking work.
- A new employer will be able to attract employees from an additional pool of about 46,200 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 \$12.83 per hour, and the median desired pay rate of the underemployed workers is \$13.67 per hour.
- About 25% of the underemployed workers would take a new job for \$11.11 per hour or less. At the upper end, the 25% most qualified and experienced will command more than \$16.62 per hour.
- Roughly 2,500 people, neither employed nor seeking work, might re-enter the workforce for the proper job.
- In total, the Boone and Winnebago Counties area has 65,500 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 Boone and Winnebago Counties 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 Boone and Winnebago Counties 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 Boone, Winnebago, Stephenson and Ogle Counties in Illinois; Rock County in Wisconsin; and, portions of DeKalb and McHenry Counties in Illinois.

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 Boone and Winnebago Counties 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 Boone and Winnebago Counties area labor shed has a household population of approximately 807,300. The civilian labor force numbers approximately 434,800, and the labor shed contains approximately 16,800 unemployed people who are actively seeking work.

The results of this assessment determined that approximately 46,200 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 2,500 people who are not currently employed or actively seeking work would consider re-entering the workforce. In total, the Boone and Winnebago Counties area has approximately 65,200 available workers for new or existing employers.

AVAILABLE WORKERS

| | |
|---|---------------|
| Number of underemployed workers | 46,200 |
| Number of unemployed persons who are actively seeking work | 16,800 |
| Number of persons who are not working, but would consider re-entering the workforce | 2,500 |
| Total Number of Workers Available for Employers | 65,500 |

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.

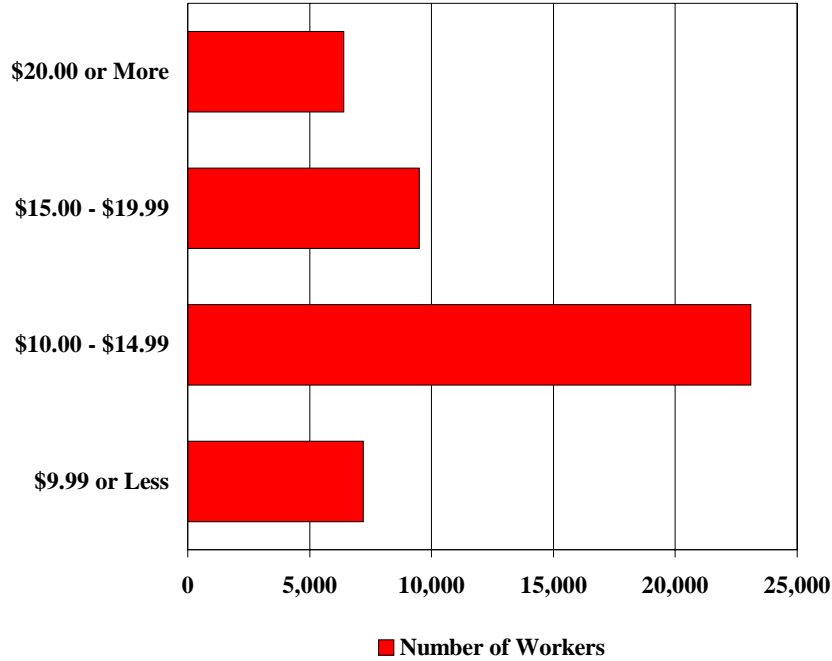
The following data represent the desired pay rates of the underemployed individuals in the labor shed. Many workers expressed their wage requirements in weekly, monthly, or annual terms, but all wage figures in this report are presented in hourly rates. Selected conversions may add perspective to the 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
46,200 Underemployed Workers



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

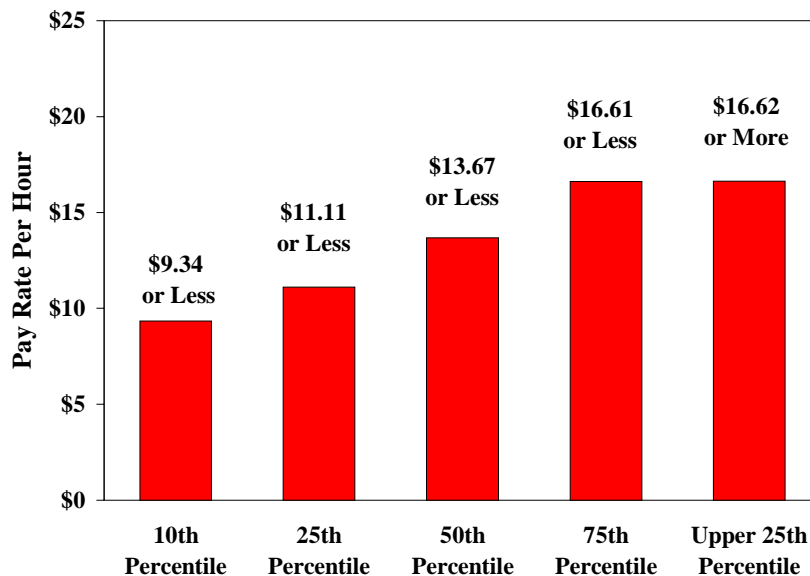
| | | | | |
|--|--|--|--|--|
| <u>\$7.99 or Less</u> 100 | <u>\$8.00 - \$8.99</u> 3,200 | <u>\$9.00 - \$9.99</u> 3,900 | <u>\$10.00 - \$10.99</u> 4,000 | <u>\$11.00 - \$11.99</u> 3,200 |
| <u>\$12.00 - \$12.99</u> 7,100 | <u>\$13.00 - \$13.99</u> 2,400 | <u>\$14.00 - \$14.99</u> 6,400 | <u>\$15.00 - \$15.99</u> 2,400 | <u>\$16.00 - \$16.99</u> 3,200 |
| <u>\$17.00 - \$17.99</u> 1,600 | <u>\$18.00 - \$18.99</u> 1,500 | <u>\$19.00 - \$19.99</u> 800 | <u>\$20.00 - \$20.99</u> 800 | <u>\$21.00 - \$21.99</u> 1,600 |
| <u>\$22.00 - \$22.99</u> 1,500 | <u>\$23.00 - \$23.99</u> 100 | <u>\$24.00 - \$24.99</u> 800 | <u>\$25.00 or More</u> 1,600 | |



Utilizing the desired wage information as illustrated in the preceding charts, the following conclusions can be drawn concerning the underemployed workers in the Boone and Winnebago Counties area:

- 10% of the underemployed workers will require \$9.34 per hour or less to change jobs.
- 25% of the underemployed workers will require \$11.11 per hour or less to change jobs.
- 50% of the underemployed workers will require \$13.67 per hour or less to change jobs.
- 75% of the underemployed workers will require \$16.61 per hour or less to change jobs.
- The upper 25% of the underemployed workers will require wages beginning at \$16.62 per hour and extending upward to over \$25.00 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 Boone and Winnebago Counties Area Labor Shed

| Skills | Desired Pay |
|------------------------------------|-------------|
| Office Operations | \$14.47 |
| Warehouse/Materials Handling | \$13.90 |
| Manufacturing/Assembly/Fabrication | \$13.40 |
| Medical/Health Sciences | \$12.27 |
| Maintenance/Installation/Repair | \$14.40 |
| Technician/Quality Assurance | \$14.65 |
| Information Technology | \$14.57 |
| Telecommunications | \$14.15 |
| Electronics/Engineering | \$16.90 |

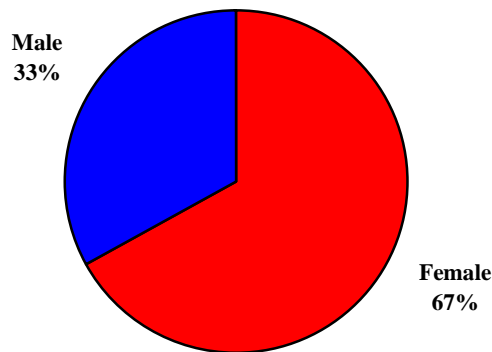


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

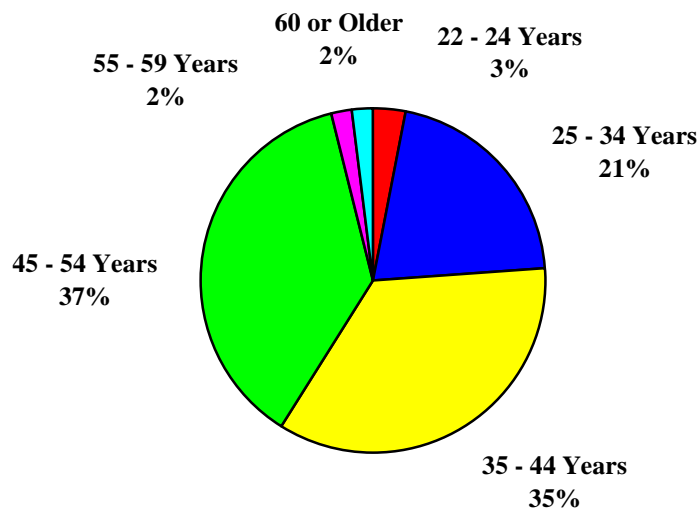
The Boone and Winnebago Counties Area Labor Shed

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.

GENDER

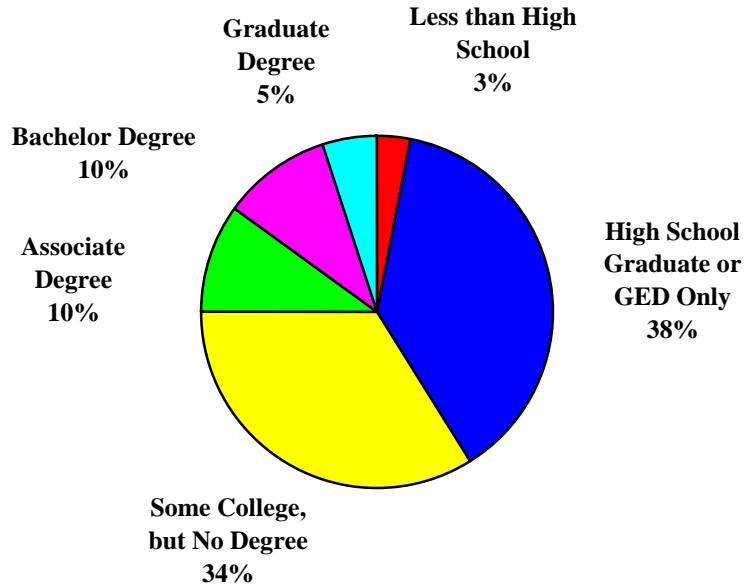


AGE

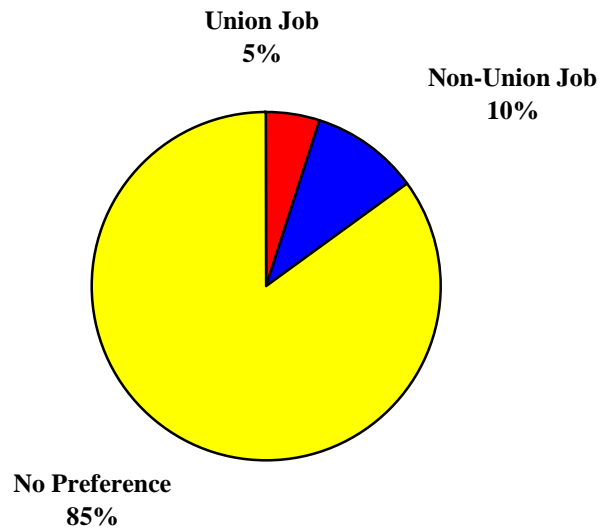


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

EDUCATION

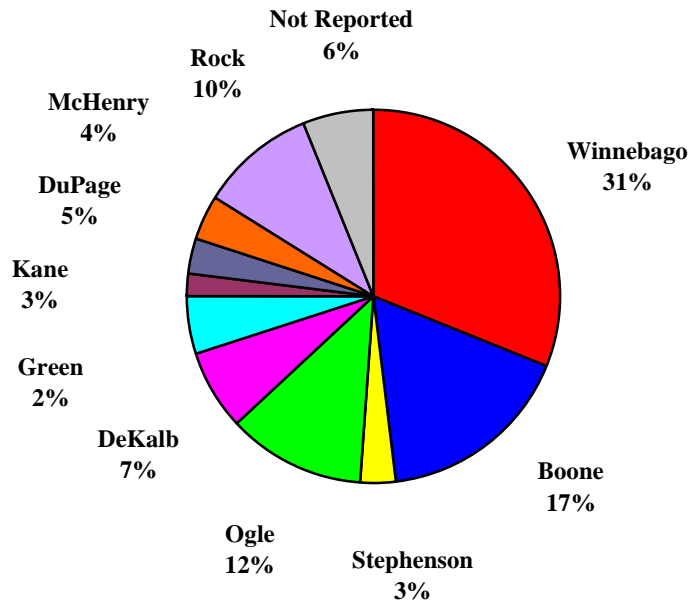


UNION PREFERENCE

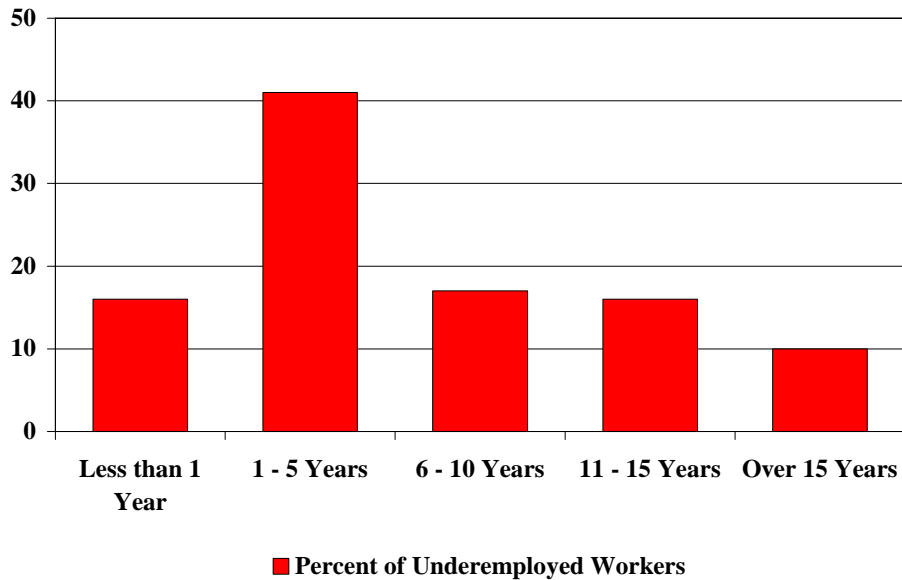


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

COUNTY OF EMPLOYMENT

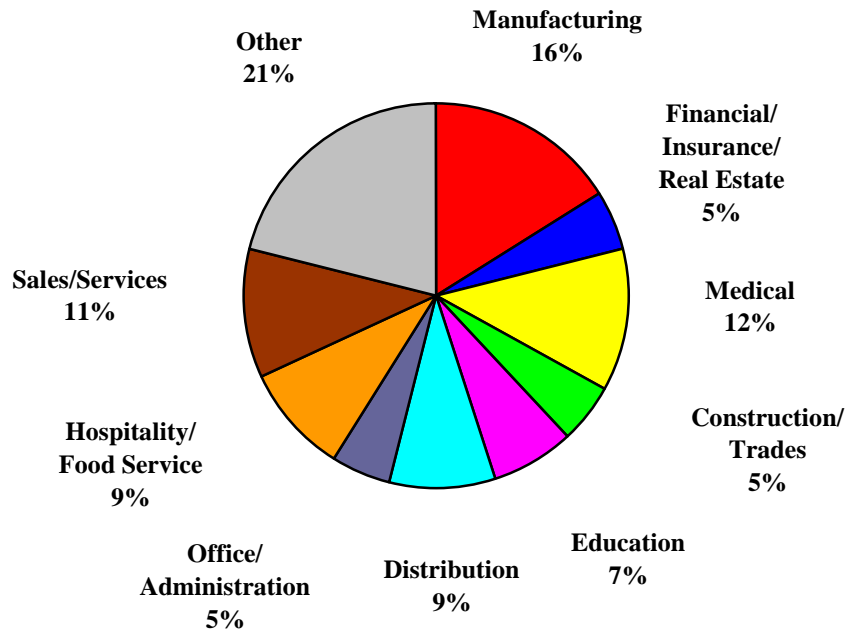


LENGTH OF TIME IN CURRENT JOB



CHARACTERISTICS OF UNDEREMPLOYED WORKERS

CURRENT SECTOR OF EMPLOYMENT

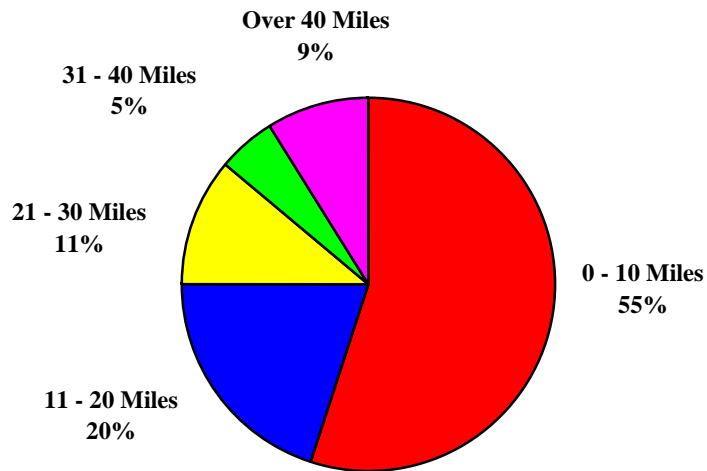


The “Other” category of current employment for the underemployed workers in the Boone and Winnebago Counties area includes those sectors with less than 5% representation. Those sectors are spread across a wide variety of categories, including, among others, information technology/telecommunications and maintenance/installation/repair.

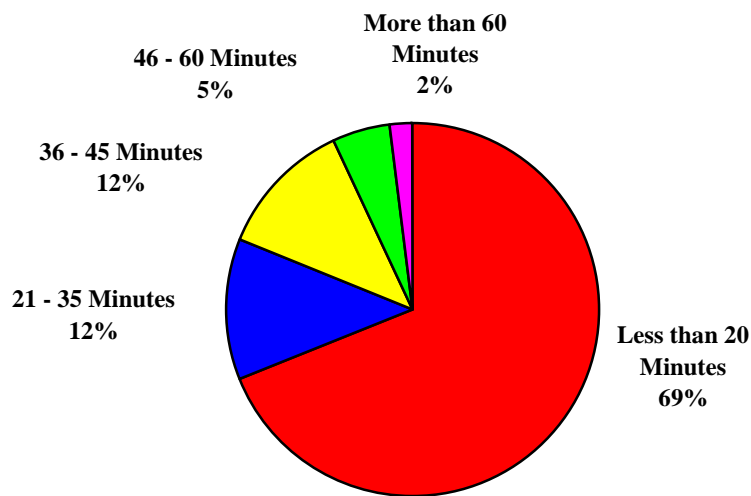


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

CURRENT COMMUTE DISTANCE



CURRENT COMMUTE TIME



EXPERIENCE AND SKILLS – UNDEREMPLOYED WORKERS

The Boone and Winnebago Counties 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 Boone and Winnebago Counties Area Labor Shed****46,200 Underemployed Workers**

| Experience* | Number of Persons | Percentage |
|---------------------------------------|--------------------------|-------------------|
| Office Operations | 32,800 | 71% |
| Customer Service | 31,900 | 69% |
| Warehouse/Distribution/Transportation | 30,500 | 66% |
| Manufacturing/Assembly/Fabrication | 27,700 | 60% |
| Medical/Health Sciences | 17,600 | 38% |
| Sales | 17,600 | 38% |
| Maintenance/Installation/Repair | 16,200 | 35% |
| Telecommunications | 12,000 | 26% |
| Call Center | 10,200 | 22% |
| Information Technology | 10,200 | 22% |
| Electronics/Engineering | 7,400 | 16% |

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



EMPLOYMENT SKILLS OF UNDEREMPLOYED WORKERS**The Boone and Winnebago Counties Area Labor Shed****46,200 Underemployed Workers**

| Skills* | Number of Persons | Percentage |
|------------------------------------|--------------------------|-------------------|
| Office Operations | 33,300 | 72% |
| Warehouse/Materials Handling | 28,600 | 62% |
| Manufacturing/Assembly/Fabrication | 26,300 | 57% |
| Medical/Health Sciences | 15,200 | 33% |
| Maintenance/Installation/Repair | 15,200 | 33% |
| Technician/Quality Assurance | 13,400 | 29% |
| Information Technology | 12,900 | 28% |
| Telecommunications | 12,000 | 26% |
| Electronics/Engineering | 6,500 | 14% |

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



FACTORS AFFECTING JOB DESIRABILITY
THE BOONE AND WINNEBAGO COUNTIES AREA LABOR SHED
46,200 UNDEREMPLOYED WORKERS

In an effort to identify those factors most important to the Boone and Winnebago Counties 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 | 50% | 36% | 7% | 5% | 2% |
| Location | 24% | 29% | 40% | 5% | 2% |
| Insurance Benefits | 60% | 26% | 5% | 7% | 2% |
| Retirement Benefits | 52% | 26% | 17% | 4% | 1% |
| Paid Sick Leave & Holidays | 53% | 26% | 19% | 1% | 1% |
| Physical Working Environment | 36% | 35% | 19% | 5% | 5% |
| On-Site Child Care | 2% | 5% | 16% | 10% | 67% |
| Paid Training Programs | 33% | 21% | 38% | 5% | 3% |
| Flexible Work Schedule | 28% | 31% | 29% | 7% | 5% |
| Opportunity for Advancement | 50% | 33% | 12% | 3% | 2% |
| Financial Stability of the Company | 76% | 16% | 6% | 1% | 1% |
| Reputation of the Company | 36% | 41% | 16% | 5% | 2% |
| Size of the Company | 2% | 8% | 47% | 17% | 26% |



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 opportunity for advancement as more “extremely important” as a job factor than paid training programs, although such a ranking does not mean that the underemployed workers in the Boone and Winnebago Counties area consider paid training programs to be unimportant in their evaluation of new job opportunities.

| Factor | Extremely Important |
|------------------------------------|----------------------------|
| Financial Stability of the Company | 76% |
| Insurance Benefits | 60% |
| Paid Sick Leave & Holidays | 53% |
| Retirement Benefits | 52% |
| Salary | 50% |
| Opportunity for Advancement | 50% |
| Physical Working Environment | 36% |
| Reputation of the Company | 36% |
| Paid Training Programs | 33% |
| Flexible Work Schedule | 28% |
| Location | 24% |
| On-Site Child Care | 2% |
| Size of the Company | 2% |



UNEMPLOYED WORKERS

The Boone and Winnebago Counties Area Labor Shed

This report documents two groups of unemployed individuals in the Boone and Winnebago Counties area labor shed who would be available workers for a new or expanding business. The groups are classified as:

- Individuals who are actively seeking work
- Individuals who are considering re-entering the workforce

Published statistics document 16,800 unemployed workers in the labor shed who are actively seeking work. Survey results indicate that 22% of these available workers were laid off from their jobs and 11% are unemployed due to company closures, relocations or job eliminations. Survey findings also indicate that 30% of the unemployed individuals who are actively seeking work are stay-at-home individuals and 4% are retired. The remaining 33% are unemployed due to medical-related conditions or other reasons. 70% of these individuals have been unemployed, actively seeking work for less than one year, and 30% of them have been actively seeking work for more than two years.

This survey indicates that 30% of the unemployed, actively seeking work individuals are male. This group is two years younger on average than the underemployed, and approximately 11% have two-year degrees or higher. The largest sector of recent employment for these available workers was manufacturing. Their median most recent pay rate was \$11.02 per hour, and the median desired pay rate for these available workers is \$10.34 per hour.

In terms of experience, these individuals who are actively seeking work are comparable to the underemployed in the areas of manufacturing and customer service and exceed the underemployed in telecommunications and call center experience. With regard to skills, this



group exceeds the underemployed in the categories of manufacturing and telecommunications and approximate the underemployed in information technology.

Furthermore, the household survey results suggest that an additional 2,500 people, who are currently not employed or actively seeking work, would consider re-entering the workforce. About 85% of these additional individuals are female, and the group is seven years older on average than the underemployed.

46% of these individuals have been unemployed for over twenty-four months, and the greatest percentage of these available workers are those people who are stay-at-home individuals.

The education of this additional group roughly mirrors that of the underemployed members of the workforce, albeit with a somewhat higher concentration of “Bachelor Degree”.

This group of potential available workers exhibits comparable measures of experience to the underemployed in the area of electronics/engineering and comparable skills in technician/quality assurance. These potential workers exceed the underemployed in the experience categories of sales and medical/health care and in the skills categories of electronics/engineering and medical/health care.

The wages required by this group to enter or re-enter the workforce fall across a broad spectrum of pay rates, with \$12.07 per hour as the median. The lower quartile would take \$10.02 or less, and the upper quartile desires \$15.18 per hour or more.

The determinations for these two segments of the workforce have a larger statistical variance than that for the underemployed.



EMPLOYERS' VIEWS OF THE THE BOONE AND WINNEBAGO COUNTIES AREA TOTAL WORKFORCE

In developing a profile of existing workers in the Boone and Winnebago Counties 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 Boone and Winnebago Counties region and the percent of employers utilizing that method. Many use more than one method, therefore, the percentages will not add to 100%.

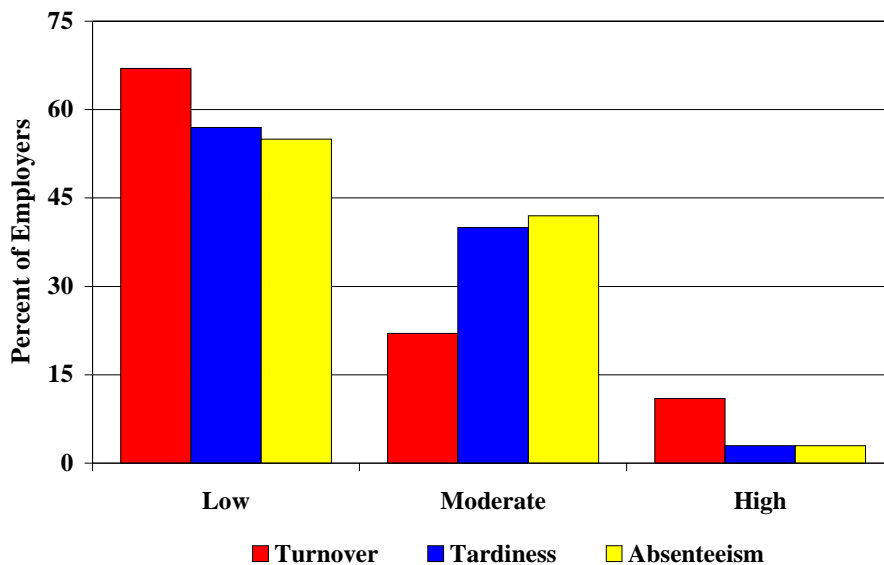
| Recruiting Method | % of Employers |
|-------------------|----------------|
| Newspaper Ads | 69% |
| Word of Mouth | 44% |
| Staffing Service | 33% |
| Internet | 25% |
| Walk-Ins | 17% |
| State Agency | 11% |
| Radio/TV | 8% |
| Referrals | 6% |
| Job Fair | 3% |
| Sign | 3% |
| Colleges | 3% |



Employers with operations in other regions of the United States were asked to compare their experiences in those other areas with their experiences in the Boone and Winnebago Counties region. Of those employers who had operations elsewhere, 52% stated that their Boone and Winnebago Counties area operations were comparable to or better than the operations in other locations 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 chart below shows the percent of employers rating for turnover, tardiness and absenteeism in the Boone and Winnebago Counties region.

**PERCENT OF EMPLOYERS RATING
THE BOONE AND WINNEBAGO COUNTIES AREA
TOTAL WORKFORCE**



Additionally, in the Boone and Winnebago Counties region, 89% of the employers interviewed stated their companies tested for substance abuse, primarily pre-employment. Substance abuse within the individual companies' workforces was reported as low.

In consideration of all factors, 91% of the employers in the Boone and Winnebago Counties area rated the productivity of the workforce as "Good" to "Excellent". Worker reliability received high marks from 91% of the employers as well.

**PERCENT OF EMPLOYERS RATING
THE BOONE AND WINNEBAGO COUNTIES AREA
TOTAL WORKFORCE**

| Category | Excellent | Good | Fair | Poor |
|---------------------|------------------|-------------|-------------|-------------|
| Worker Productivity | 9% | 82% | 9% | 0% |
| Worker Reliability | 11% | 80% | 6% | 3% |
| Worker Attitudes | 3% | 85% | 9% | 3% |

The educational competencies of employees are additional factors used to evaluate an area's labor force. In the Boone and Winnebago Counties area, 60% of the employers interviewed rated the local public schools as "Excellent" or "Good", and 87% of the employers rated the local community colleges and technical schools as "Excellent" or "Good". Employers also rated their employees relative to competency in reading, writing, and calculations. These ratings are shown in the table on the following page.



**PERCENT OF EMPLOYERS RATING
THE BOONE AND WINNEBAGO COUNTIES AREA
TOTAL WORKFORCE**

| Category | Excellent | Good | Fair | Poor |
|-------------------------|------------------|-------------|-------------|-------------|
| Reading Competency | 0% | 76% | 21% | 3% |
| Writing Competency | 0% | 70% | 27% | 3% |
| Calculations Competency | 3% | 72% | 19% | 6% |

A common employer complaint relates to the shortage of skilled and technical workers. The availability of these workers in the Boone and Winnebago Counties 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, 43% considered skilled worker availability to be “Excellent” or “Good”, while 30% considered it to be “Fair”. The availability of technical workers in the labor shed was rated “Excellent” or “Good” by 45% of the interviewed companies and “Fair” by 42%.

The following table provides a composite portrait of employers’ experiences with and opinions of workers in the Boone and Winnebago Counties 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 BOONE AND WINNEBAGO COUNTIES AREA
TOTAL WORKFORCE**

| Category | Excellent | Good | Fair | Poor |
|--------------------------------------|------------------|-------------|-------------|-------------|
| Availability of Skilled Workers | 3% | 40% | 30% | 27% |
| Availability of Unskilled Workers | 21% | 58% | 21% | 0% |
| Availability of Professional Workers | 0% | 49% | 36% | 15% |
| Availability of Technical Workers | 3% | 42% | 42% | 13% |
| Worker Productivity | 9% | 82% | 9% | 0% |
| Worker Reliability | 11% | 80% | 6% | 3% |
| Worker Attitudes | 3% | 85% | 9% | 3% |
| Reading Competency | 0% | 76% | 21% | 3% |
| Writing Competency | 0% | 70% | 27% | 3% |
| Calculations Competency | 3% | 72% | 19% | 6% |
| Teamwork Skills | 9% | 70% | 21% | 0% |
| Entry Level Skills | 0% | 62% | 24% | 14% |



COMPARISONS OF EMPLOYERS RATINGS

TOTAL WORKFORCE

The Boone and Winnebago Counties 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 Boone and Winnebago Counties 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, 9% of the Boone and Winnebago Counties area employers rated “Worker Productivity” as “Excellent”. Of all the locations surveyed during the last eighteen months, the “Median” for that rating is 27%, and the “Highest” rating recorded in the “Excellent” category is 54%. The same comparison applies for each of the other factors. In these charts, the Boone and Winnebago Counties area is shown as “Labor Shed”.



WORKER PRODUCTIVITY

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|-----------|-------------------|-----------|
| Highest | 54% | Highest | 76% | Highest | 33% | Highest | 10% |
| Labor Shed | 9% | Labor Shed | 82% | Labor Shed | 9% | Labor Shed | 0% |
| Median | 27% | Median | 57% | Median | 13% | Median | 3% |

WORKER RELIABILITY

| Excellent | | Good | | Fair | | Poor | |
|-------------------|------------|-------------------|------------|-------------------|-----------|-------------------|-----------|
| Highest | 50% | Highest | 75% | Highest | 44% | Highest | 13% |
| Labor Shed | 11% | Labor Shed | 80% | Labor Shed | 6% | Labor Shed | 3% |
| Median | 21% | Median | 53% | Median | 19% | Median | 5% |

WORKER ATTITUDES

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|-----------|-------------------|-----------|
| Highest | 50% | Highest | 75% | Highest | 44% | Highest | 13% |
| Labor Shed | 3% | Labor Shed | 85% | Labor Shed | 9% | Labor Shed | 3% |
| Median | 21% | Median | 53% | Median | 19% | Median | 5% |

WORKER READING COMPETENCY

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 40% | Highest | 80% | Highest | 56% | Highest | 27% |
| Labor Shed | 0% | Labor Shed | 76% | Labor Shed | 21% | Labor Shed | 3% |
| Median | 7% | Median | 52% | Median | 30% | Median | 8% |



WORKER WRITING COMPETENCY

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 40% | Highest | 80% | Highest | 56% | Highest | 27% |
| Labor Shed | 0% | Labor Shed | 70% | Labor Shed | 27% | Labor Shed | 3% |
| Median | 7% | Median | 52% | Median | 30% | Median | 8% |

WORKER CALCULATIONS COMPETENCY

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 33% | Highest | 86% | Highest | 62% | Highest | 43% |
| Labor Shed | 3% | Labor Shed | 72% | Labor Shed | 19% | Labor Shed | 6% |
| Median | 7% | Median | 50% | Median | 34% | Median | 10% |

WORKER TEAMWORK SKILLS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 26% | Highest | 81% | Highest | 50% | Highest | 31% |
| Labor Shed | 9% | Labor Shed | 70% | Labor Shed | 21% | Labor Shed | 0% |
| Median | 7% | Median | 55% | Median | 31% | Median | 9% |

WORKER ENTRY LEVEL SKILLS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|------------|
| Highest | 26% | Highest | 81% | Highest | 50% | Highest | 31% |
| Labor Shed | 0% | Labor Shed | 62% | Labor Shed | 24% | Labor Shed | 14% |
| Median | 7% | Median | 55% | Median | 31% | Median | 9% |



AVAILABILITY OF SKILLED WORKERS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|------------|
| Highest | 24% | Highest | 66% | Highest | 60% | Highest | 40% |
| Labor Shed | 3% | Labor Shed | 40% | Labor Shed | 30% | Labor Shed | 27% |
| Median | 7% | Median | 41% | Median | 36% | Median | 15% |

AVAILABILITY OF UNSKILLED WORKERS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|-----------|
| Highest | 53% | Highest | 81% | Highest | 50% | Highest | 7% |
| Labor Shed | 21% | Labor Shed | 58% | Labor Shed | 21% | Labor Shed | 0% |
| Median | 30% | Median | 49% | Median | 18% | Median | 6% |

AVAILABILITY OF PROFESSIONAL WORKERS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|------------|
| Highest | 26% | Highest | 64% | Highest | 58% | Highest | 54% |
| Labor Shed | 0% | Labor Shed | 49% | Labor Shed | 36% | Labor Shed | 15% |
| Median | 6% | Median | 34% | Median | 38% | Median | 16% |

AVAILABILITY OF TECHNICAL WORKERS

| Excellent | | Good | | Fair | | Poor | |
|-------------------|-----------|-------------------|------------|-------------------|------------|-------------------|------------|
| Highest | 30% | Highest | 65% | Highest | 76% | Highest | 54% |
| Labor Shed | 3% | Labor Shed | 42% | Labor Shed | 42% | Labor Shed | 13% |
| Median | 6% | Median | 35% | Median | 40% | Median | 16% |



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 Boone and Winnebago Counties 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 Boone and Winnebago Counties 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 Boone and Winnebago Counties 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 Boone and Winnebago Counties 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

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 | Lake Havasu, AZ | Rutherford County, TN |
| Albuquerque, NM | Culpeper County, VA | Laramie, WY | 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 | Sequin, TX |
| Ardmore, OK | Eastern Shore, MD | Lee’s Summit, MO | Seneca County, NY |
| Ashland, KY | Elizabethtown, KY | Lexington, KY | Shasta County, CA |
| Atascadero, CA | Evansville, IN | Long Island, NY | Shelby County, AL |
| Atlanta, GA | Fairfield County, OH | Longview, TX | Shreveport, LA |
| Auburn, AL | Fargo, ND | Louisville, KY | Sikeston, MO |
| Baldwin County, AL | Fauquier County, VA | Madison, SD | Silver City, NM |
| Bay County, FL | Fulton County, KY | McDowell County, NC | Spartanburg, SC |
| Bedford, TX | Grant County, NM | Moberly, MO | Spokane, WA |
| Beeville, TX | Grant County, WA | Mobile, AL | Springfield, IL |
| Binghamton, NY | Grays Harbor, WA | Mohawk Valley, NY | Sullivan County, NY |
| Birmingham, AL | Greene County, NY | Monroe County, NY | Sumter County, SC |
| Boone County, IN | Grenada, MS | Montgomery, AL | Syracuse, NY |
| Bowie, TX | Harrison County, IN | Moorhead, MN | Tallahassee, FL |
| Bryan/College Station, TX | Hazleton, PA | Muncie, IN | Taylor, TX |
| Buffalo, NY | Henderson, KY | New Braunfels, TX | Terre Haute, IN |
| Bullitt County, KY | Hendricks County, IN | New York City, NY | Tioga County, NY |
| Cambridge, MD | Hernando County, FL | Obion County, TN | Tipton County, IN |
| Campbellsville, KY | Hillsdale County, MI | Ontario County, NY | Tomball, TX |
| Cape Girardeau, MO | Hudson Valley, NY | Oswego County, NY | Tupelo, MS |
| Casper, WY | Huntsville, AL | Owsley County, KY | Tuscaloosa, AL |
| Centralia, IL | Hurst, TX | Pampa, TX | Ulster County, NY |
| Champaign County, IL | Hutto, TX | Panama City, FL | Vermillion County, IN |
| Chattanooga, TN | Independence, MO | Pensacola, FL | Vineland, NJ |
| Cheyenne, WY | Indianapolis, IN | Polk County, NC | Warren County, VA |
| Cleveland County, NC | Jackson, MS | Ponca City, OK | Watertown, SD |
| Clinton, SC | Jackson County, MO | Prescott Valley, AZ | Wilkes-Barre, PA |
| Conroe, TX | Jay County, IN | Reno, NV | Williamsport, PA |
| Corpus Christi, TX | Kalamazoo, MI | Rutherford County, NC | 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 \$11.11 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 \$9.58 per hour or less, the median \$10.93 or less, and the highest desired pay rate was \$18.73 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 |
|--------------------------------|--|--|---|
| \$11.11 or Less | \$9.58 or Less | \$10.93 or Less | \$18.73 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 \$16.62 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 \$16.91 or more, the median \$20.78 or more, and the highest was \$39.06 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 |
|--------------------------------|--|--|---|
| \$16.62 or More | \$16.91 or More | \$20.78 or More | \$39.06 or More |



The following charts compare the percentages of underemployed workers in the Boone and Winnebago Counties 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 Boone and Winnebago Counties region is referred to as “labor shed”.

The experience charts are followed by skills charts, which compare the percentages of underemployed workers in the Boone and Winnebago Counties 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 Boone and Winnebago Counties region is referred to as “labor shed”.



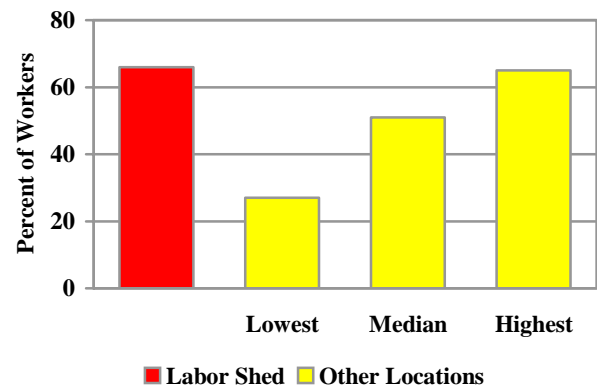
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

**The Boone and Winnebago Counties Area /
Locations Surveyed Over the Past 18 Months**

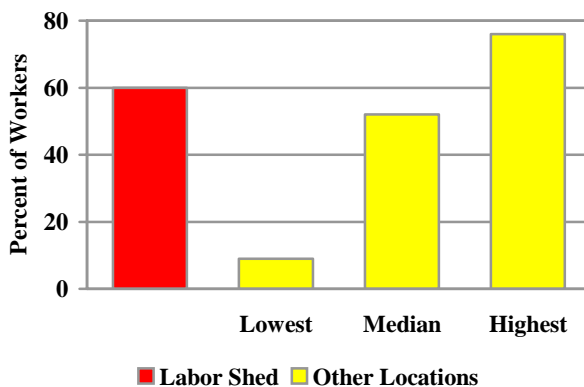
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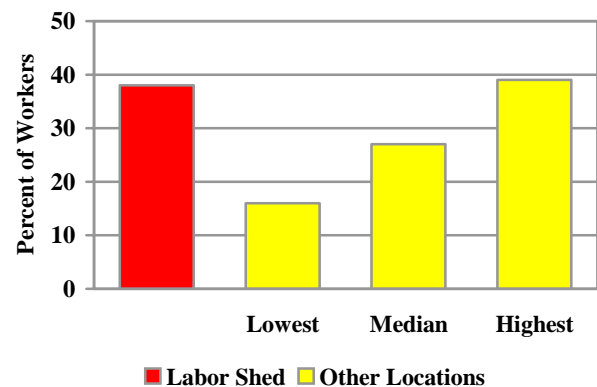
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**MANUFACTURING / ASSEMBLY /
FABRICATION**



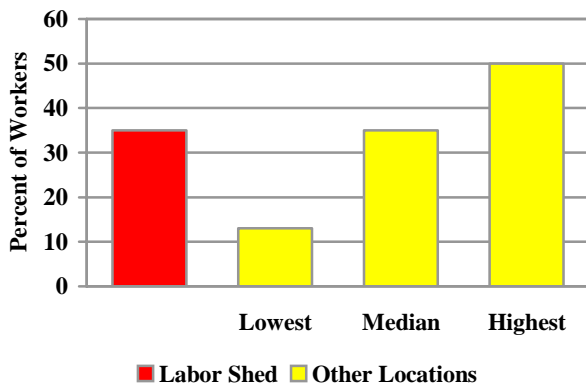
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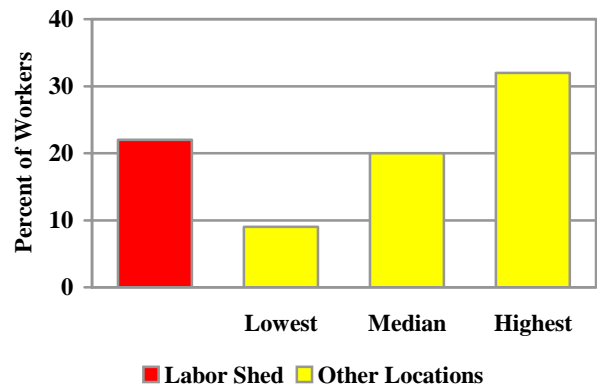
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

**The Boone and Winnebago Counties Area /
Locations Surveyed Over the Past 18 Months**

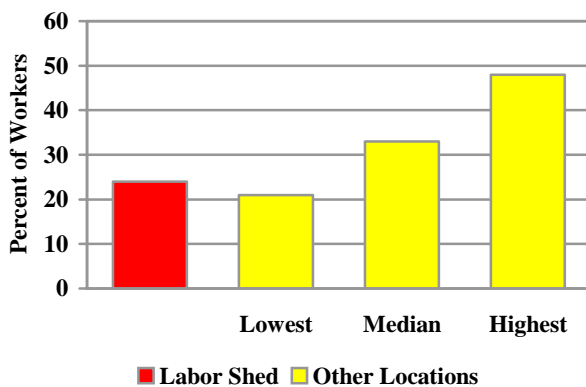
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INSTALLATION / REPAIR**



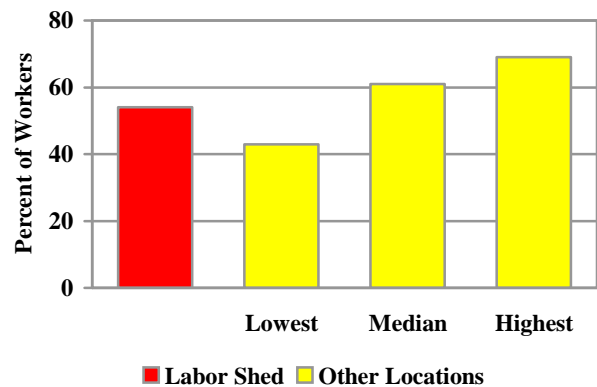
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**INFORMATION TECHNOLOGY /
TELECOMMUNICATIONS**

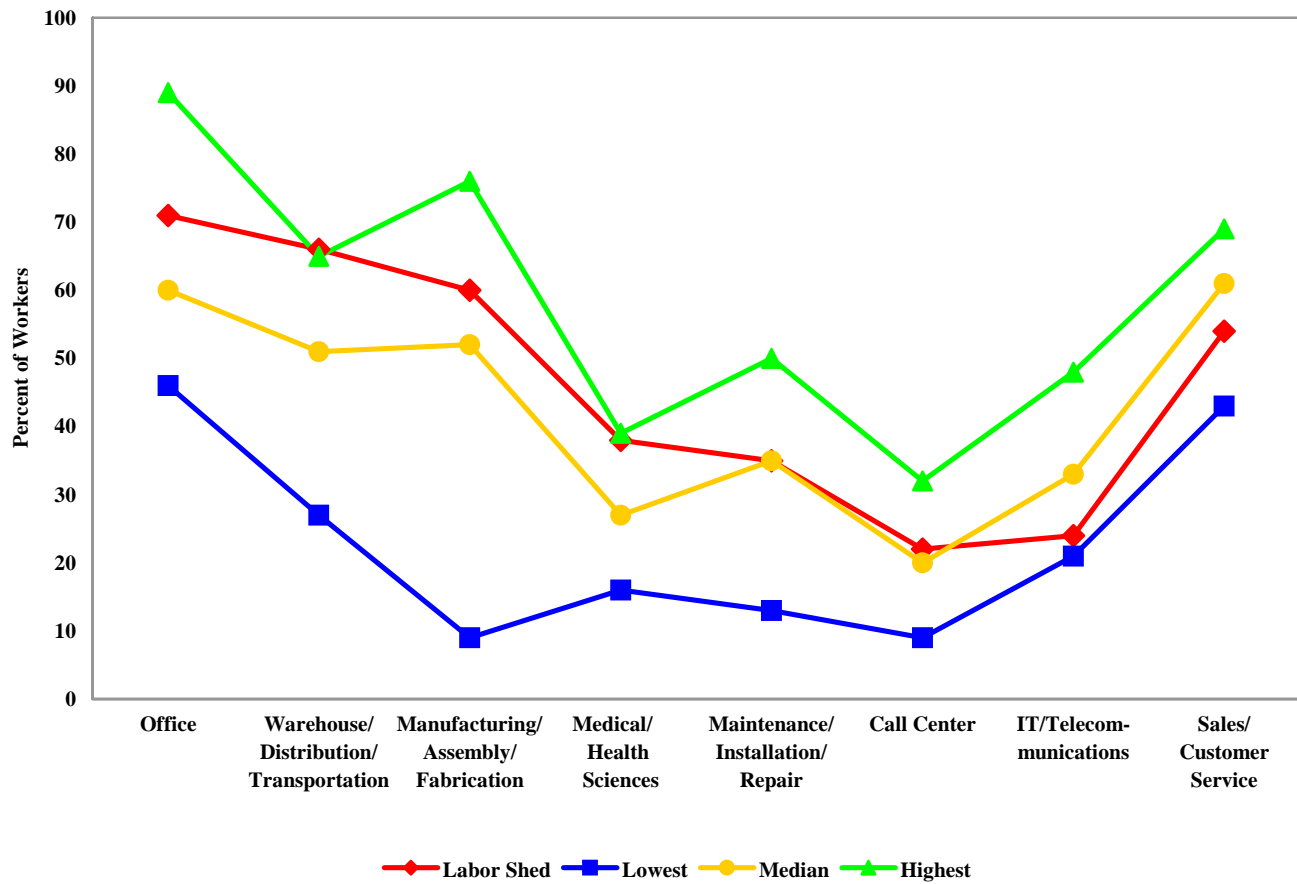


**SALES /
CUSTOMER SERVICE**



**SUMMARY COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS**

**The Boone and Winnebago Counties Area /
Locations Surveyed Over the Past 18 Months**



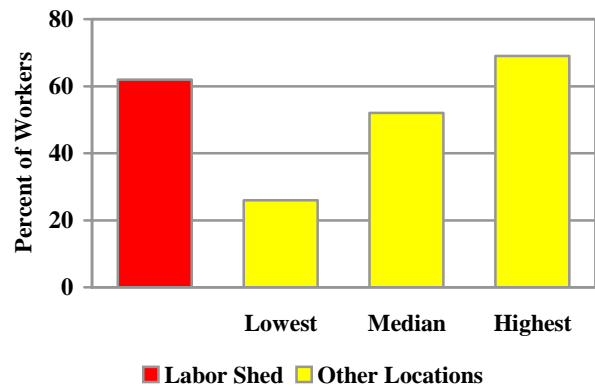
COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

**The Boone and Winnebago Counties Area /
Locations Surveyed Over the Past 18 Months**

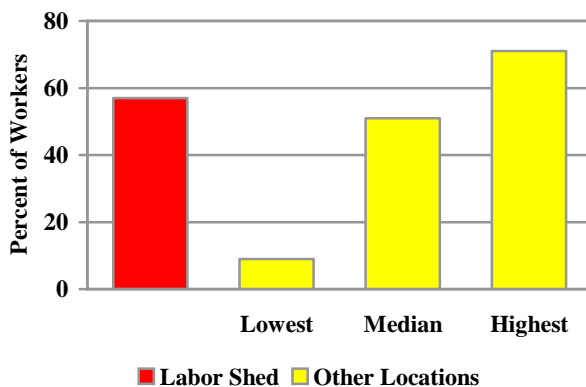
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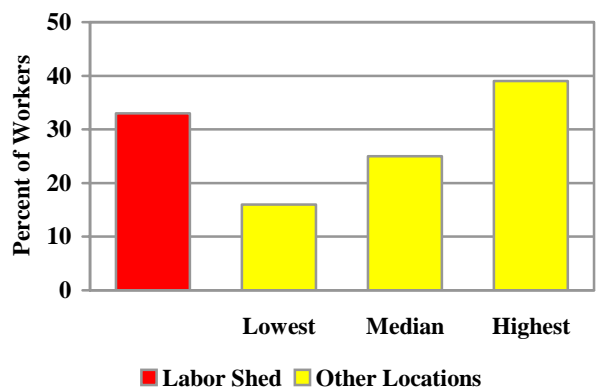
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HANDLING**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



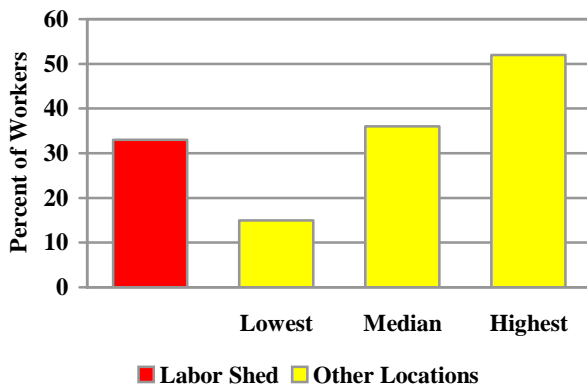
**MEDICAL /
HEALTH SCIENCES**



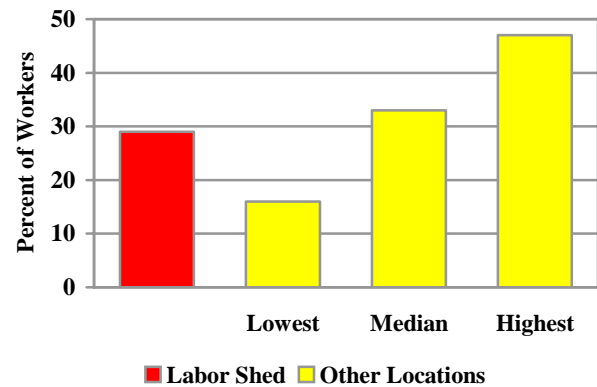
COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

**The Boone and Winnebago Counties Area /
Locations Surveyed Over the Past 18 Months**

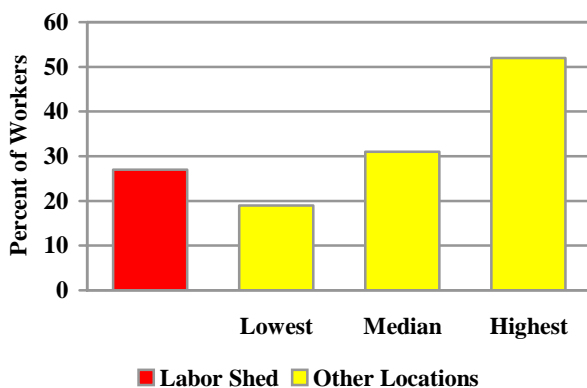
**MAINTENANCE /
INSTALLATION / REPAIR**



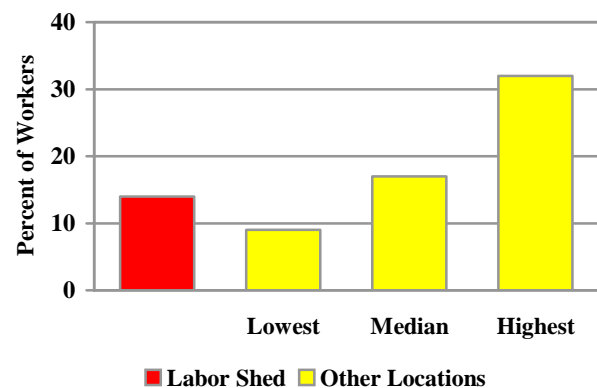
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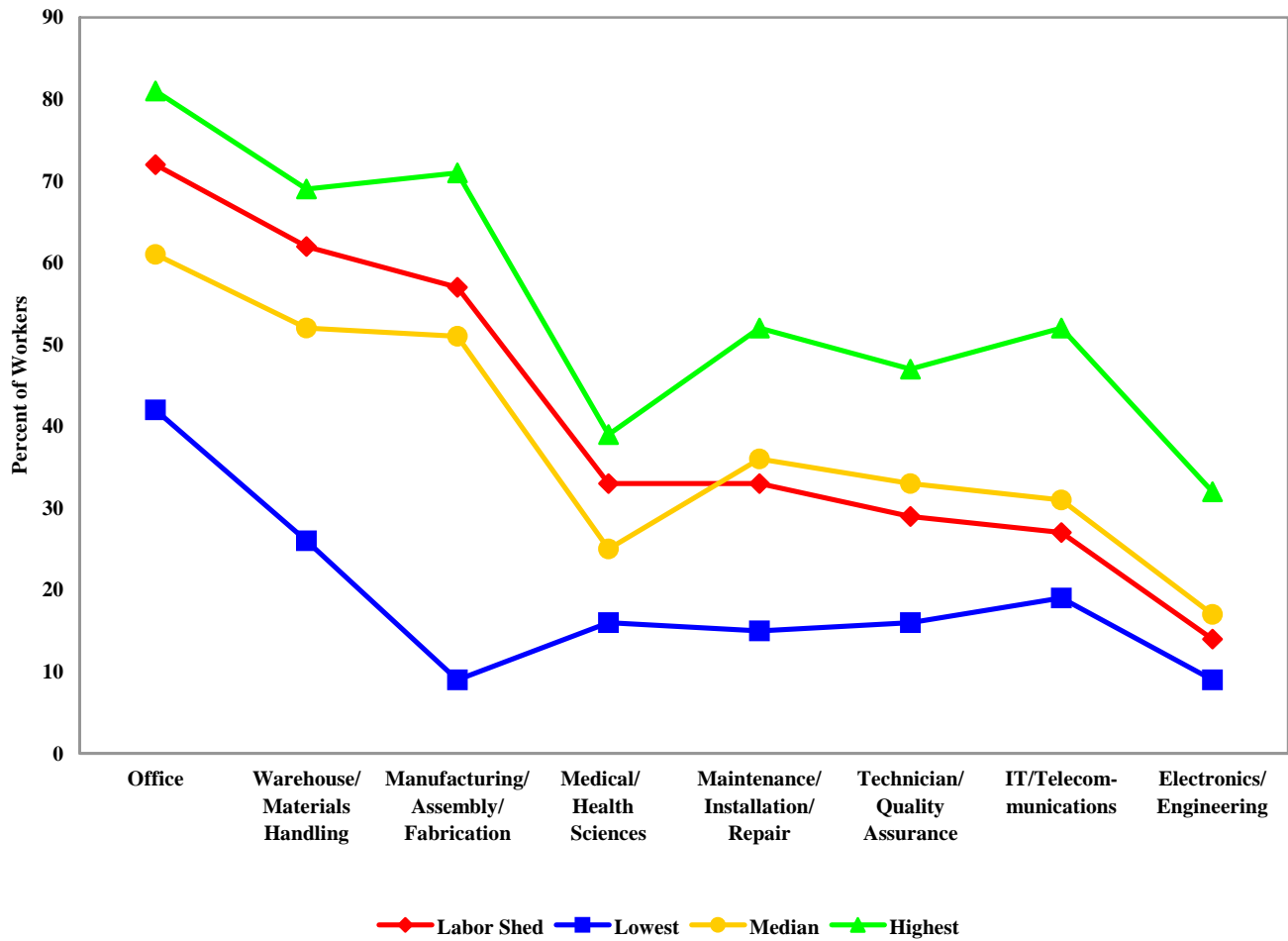
**INFORMATION TECHNOLOGY /
TELECOMMUNICATIONS**



ELECTRONICS / ENGINEERING



**SUMMARY COMPARISON OF SKILLS
UNDEREMPLOYED WORKERS
The Boone and Winnebago Counties Area /
Locations Surveyed Over the Past 18 Months**



CLOSING REMARKS

The foregoing report represents an assessment of the underemployment that exists in the Boone and Winnebago Counties 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 Boone and Winnebago Counties 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 Boone and Winnebago Counties 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 Boone and Winnebago Counties Area Civilian Workforce..... | 434,800 |
| Largest Workforce Surveyed by The Pathfinders | 3,452,000 |
| Median Workforce Surveyed by The Pathfinders | 138,400 |
| Smallest Workforce Surveyed by The Pathfinders..... | 3,350 |
| Number of Locations Surveyed by The Pathfinders..... | 298 |



SUPPLEMENTAL SECTION

Additional information on the available workers in the Boone and Winnebago Counties area labor shed was gathered during the conduct of this survey and is presented in this supplemental section. Further, more data collected from the area employers during interviews with those individuals are presented as well. This supplemental information is related to workforce development and was customized for the Boone and Winnebago Counties area survey.

Topics covered in this section include the training interests of the available workers in the labor shed and factors affecting job desirability of those available workers. In the “Employers’ Opinions” section, information, as gathered from the employer interviews, is presented on skills gaps, training, education, industry trends, worker responsiveness and other factors.

INTEREST IN TRAINING COURSES

THE BOONE AND WINNEBAGO COUNTIES AREA LABOR SHED

65,500 TOTAL AVAILABLE WORKERS

A component was added to this survey which was designed to determine possible interest in training courses on the part of the 65,500 available workers in the Boone and Winnebago Counties workforce. The primary purpose of including this component was to produce data which would provide guidance in the establishment of training programs which will more precisely meet the needs of the public and the business community in the Boone and Winnebago Counties area. The extent to which interest is strong and those individuals might actually enroll in a training program is not known. That would obviously be influenced by scheduling, costs, length of the course and other factors. Perhaps the most dominant of those factors is the extent to which those individuals are aware of the course offering, its scheduling, cost and how and where to enroll.



However, this survey presents the relative interest in training courses of those workers in the Boone and Winnebago Counties area who are available candidates for employment with a new or expanding business. The available workforce is comprised of three groups – the underemployed, the unemployed who are actively seeking work, and the unemployed who might consider re-entering the workforce. In the table that follows, it should be noted that many of the respondents indicated interest in more than one program, therefore, the percent total will not equal 100.

INTEREST IN TRAINING COURSES
65,500 TOTAL AVAILABLE WORKERS

| Type of Training Course | Percentage |
|---|------------|
| Computer Software Applications | 56% |
| Human Resources | 53% |
| Health Care | 49% |
| Computer Programming | 42% |
| Industrial Machine Operations | 39% |
| Real Estate or Insurance | 36% |
| Technical Trades | 33% |
| Construction Trades | 27% |
| Restaurant or Retail Management | 27% |
| Food Service or Hospitality | 26% |
| Computer Maintenance or Repair | 23% |
| Auto or Maintenance Mechanics | 17% |
| GED or Basic Reading, Writing, Arithmetic | 13% |
| ESL | 8% |



FACTORS AFFECTING JOB DESIRABILITY
THE BOONE AND WINNEBAGO COUNTIES AREA LABOR SHED
65,500 TOTAL AVAILABLE WORKERS

In an effort to identify those factors most important to the Boone and Winnebago Counties area's total available 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. Please note this table is reflective of the 65,500 total available workers in the Boone and Winnebago Counties area, which includes the underemployed, the unemployed actively seeking work and those considering re-entering the workforce.

| Factor | 5 Extremely Important | 4 Very Important | 3 Important | 2 Somewhat Important | 1 Not Important |
|------------------------------------|-----------------------------|------------------------|----------------|----------------------------|-----------------------|
| Salary | 51% | 32% | 13% | 3% | 1% |
| Location | 27% | 32% | 36% | 3% | 2% |
| Insurance Benefits | 57% | 28% | 6% | 6% | 3% |
| Retirement Benefits | 47% | 27% | 20% | 4% | 2% |
| Paid Sick Leave & Holidays | 50% | 25% | 17% | 5% | 3% |
| Physical Working Environment | 34% | 34% | 21% | 7% | 4% |
| On-Site Child Care | 5% | 8% | 17% | 11% | 59% |
| Paid Training Programs | 32% | 24% | 36% | 4% | 4% |
| Flexible Work Schedule | 30% | 28% | 27% | 10% | 5% |
| Opportunity for Advancement | 42% | 36% | 15% | 4% | 3% |
| Financial Stability of the Company | 70% | 17% | 9% | 2% | 2% |
| Reputation of the Company | 36% | 39% | 16% | 7% | 2% |
| Size of the Company | 8% | 7% | 39% | 18% | 28% |



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 paid sick leave and holidays as more “extremely important” as a job factor than paid training programs, although such a ranking does not mean that the available workers in the Boone and Winnebago Counties area consider paid training programs to be unimportant in their evaluation of new job opportunities.

| Factor | Extremely Important |
|------------------------------------|----------------------------|
| Financial Stability of the Company | 70% |
| Insurance Benefits | 57% |
| Salary | 51% |
| Paid Sick Leave & Holidays | 50% |
| Retirement Benefits | 47% |
| Opportunity for Advancement | 42% |
| Reputation of the Company | 36% |
| Physical Working Environment | 34% |
| Paid Training Programs | 32% |
| Flexible Work Schedule | 30% |
| Location | 27% |
| Size of the Company | 8% |
| On-Site Child Care | 5% |

As did the underemployed workers, as seen previously on Page 19, the total available workforce rated financial stability of the company and insurance benefits as the highest factors when considering a job change.



EMPLOYERS' OPINIONS

THE BOONE AND WINNEBAGO COUNTIES AREA

WORKFORCE

Skills

As part of this survey, employers in the Boone and Winnebago Counties region were asked to give their opinions concerning skill gaps they felt existed in the workforce. 90% of the employers interviewed responded to this question. The terms “skill gaps” and “skills needed” overlap in that certain skills or levels of skills are deemed to be missing in the workforce, thereby creating a “gap” in a particular skill set. These “gaps” also represent skills that are needed by employers.

For example, the workforce may have an abundance of individuals who are skilled in basic computer programming and may also have a high number of advanced systems analysts or software developers. The gap would exist between these two degrees of skill. Certain employers would need more than basic programmers, but not necessarily need individuals with such highly advanced information technology skills.

In manufacturing, fewer gaps were reported compared with most locations in “hard skill” areas. Mostly gaps were reported in “soft skills”, such as communications, but employers also reported gaps in the “technical” skills area. Under the umbrella of technical skills are those specific technical skill areas listed individually in the chart on the next page. Workforce development efforts are clearly considered to be needed in the technical skill areas.

The following table lists the skill gaps/needs in the area workforce as reported by the participating employers. It should be noted that some employers stated specific areas of needs such as blueprint reading or drafting, whereas others spoke in general terms such as technical skills or communications. Many of these employers expressed multiple needs, therefore, the percentages will not equal 100%.



SKILLS GAPS/NEEDS

| Skills Gaps/Needs in the Workforce | % of Employers |
|--|----------------|
| Technical | 25% |
| Basics (reading, writing, math, science) | 22% |
| English Speaking | 16% |
| Interpersonal | 16% |
| Work Ethics | 13% |
| Communications | 13% |
| Blueprint Reading | 9% |
| Welding | 9% |
| CNC Machine | 9% |
| Forklift Driver | 6% |
| Problem-Solving | 6% |
| Computer Familiarity | 6% |
| Medical | 3% |
| Management | 3% |
| Machining | 3% |
| Mechanical | 3% |
| Technology | 3% |
| Drafting | 3% |
| Tape Measure Reading | 3% |

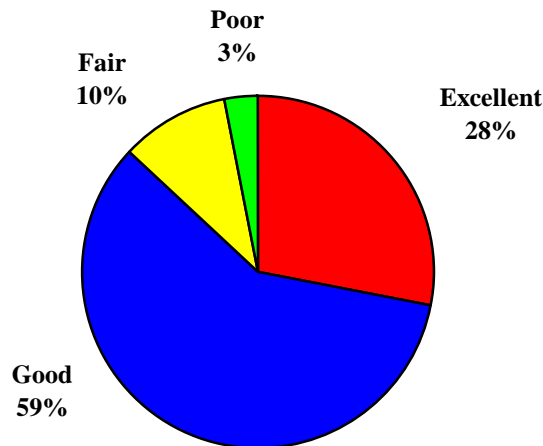


EMPLOYER OPINIONS THE BOONE AND WINNEBAGO COUNTIES AREA WORKFORCE

Training/Education

As previously stated in this report, 87% of the employers interviewed rated the local community colleges and technical schools as “Excellent” or “Good”. Specific ratings are given in the chart below.

EMPLOYERS' RATINGS LOCAL COMMUNITY COLLEGES AND TECHNICAL SCHOOLS



Further discussion concerning these facilities yielded additional information as follows. Among the local employers interviewed, 84% use area community colleges and/or technical schools to help with training needs. Rock Valley College and Blackhawk Technical College were frequently mentioned by employers as sources for training.

Employers reported that the strengths of these schools included, among others, their programs in business, computer/information technology, nursing, and mechanical/skilled trades.

| Strengths of Community Colleges/Technical Schools | % of Employers |
|--|-----------------------|
| Business | 43% |
| Mechanical/Skilled Trades | 43% |
| Computer/Information Technology | 29% |
| Overall Course Work/General Studies | 29% |
| Nursing | 24% |
| Other* | 15% |

* Other includes Child Care, Dislocated Worker Program, and GED.

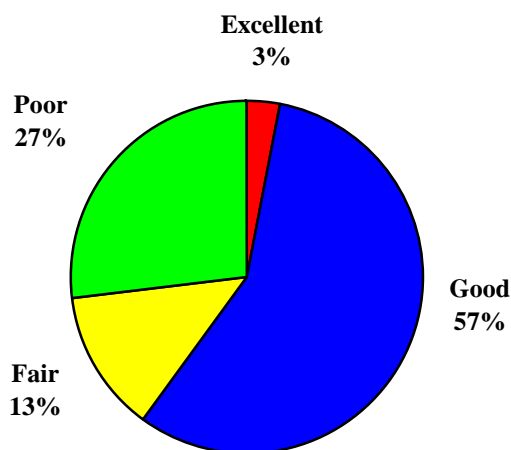
Slight gaps in training at this level of education were reported by the employers. These included, among others, English-speaking classes, drafting/design and courses dealing with soft skills such as communications and work ethics.

| Gaps in Training at Community Colleges/Technical Schools | % of Employers |
|---|-----------------------|
| Work Ethics | 15% |
| Communications | 10% |
| Computer | 7% |
| English-Speaking | 7% |
| Drafting/Design | 7% |
| Overall Quality | 7% |



The ratings for the local public schools did not fare as well as those for the community colleges and technical schools. Even though 60% of the employers rated the public schools as “Excellent” or “Good”, 13% rated them “Fair” and 27% gave a rating of “Poor”.

EMPLOYERS' RATINGS LOCAL PUBLIC SCHOOLS



The largest gap in the offerings of the area public schools, as reported by the employers, occurs in vocational classes, with some employers specifying blueprint reading, welding, measuring and machining classes. Another reported gap relates to work ethics, including attendance and attitude.

| Gaps in Local Public Schools | % of Employers |
|--|----------------|
| Vocational Classes | 57% |
| Work Ethics | 38% |
| Basics (reading, writing, math, science) | 13% |



EMPLOYER OPINIONS
THE BOONE AND WINNEBAGO COUNTIES AREA
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Current and Future Training Needs

Due to the wide variety of industries/businesses interviewed during the course of this survey, numerous current training needs were reported, each specific to a particular company's operation. These needs included the following:

| | |
|---------------------|----------------------------|
| Sales and Marketing | Medical |
| Product Training | Carpentry |
| Engineer | Maintenance |
| Machinist | Work Ethics |
| Logistics | Skilled Apprentice Program |
| Manufacturing | |

Multiple companies reported current training needs in the following areas:

| | |
|-------------------|----------------------|
| Math | Safety |
| Welding | English-Speaking |
| Computer | Problem-Solving |
| Technical | Management |
| Blueprint Reading | Interpersonal Skills |

Although most of the employers did not speculate as to future training needs, those that did cited training in computer-operated machinery and technical applications.



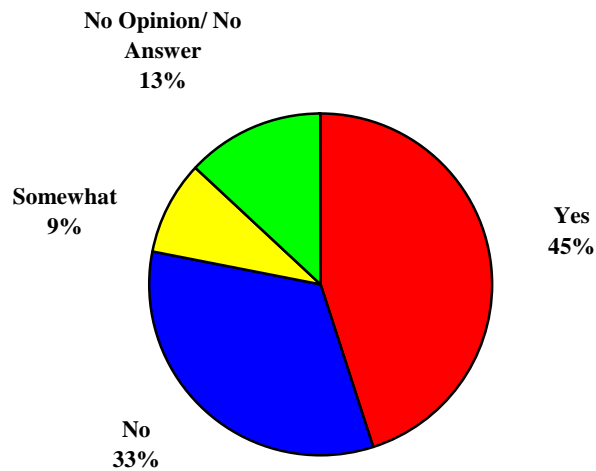
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Worker Responsiveness to Industry Changes

The following question was posed to the local employers who were interviewed:

“Are area workers flexible and responsive to industry changes?”

As shown, slightly over half (54%) responded “Somewhat” to “Yes”.



EMPLOYER OPINIONS
THE BOONE AND WINNEBAGO COUNTIES AREA
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Industry/Workforce Trends

The employers who were interviewed during this survey were asked about trends they see developing in industry and in the workforce. Outsourcing topped the list, followed by employee incentives.

| Industry/Workforce Trends | % of Employers |
|--|----------------|
| Outsourcing | 52% |
| Employee Incentives | 32% |
| Increasing Lack of Quality Manufacturing Workforce | 12% |
| Advances in Technology/Robotics | 8% |

As additional information, employee incentives were reported to be used in the areas of production, safety and attendance. Also, employers reported that the advances in technology are leading to more efficiency in the workplace.

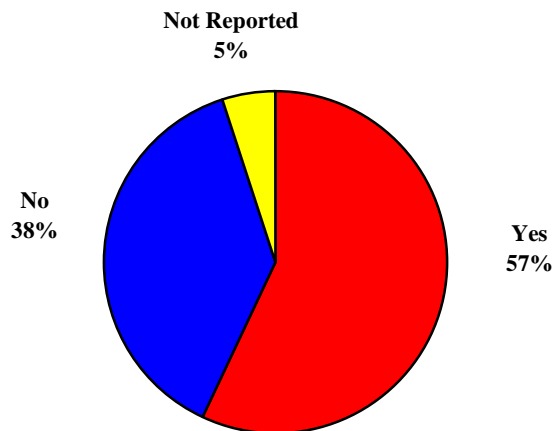


EMPLOYER OPINIONS
THE BOONE AND WINNEBAGO COUNTIES AREA
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International Business

Of the employers interviewed in the labor shed, 57% do business internationally.

DOES YOUR COMPANY DO BUSINESS INTERNATIONALLY?



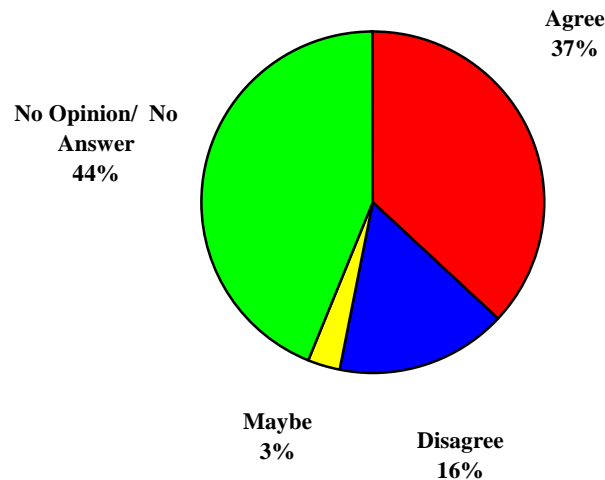
**EMPLOYER OPINIONS
THE BOONE AND WINNEBAGO COUNTIES AREA
WORKFORCE**

Live/Work Choices

Local employers were asked whether or not they agreed or disagreed with the following statement:

“Some of the executives and professionals who work in either Boone or Winnebago County live in a different County.”

As illustrated in the chart below, only 56% of the interviewed employers responded to this question. Of the remaining, 37% agreed with the statement and 16% disagreed.



With regard to reasons why employers agreed with this statement, the most often reported factor related to better schools in a county other than Boone or Winnebago. Accompanying that factor were nicer suburbs in other counties, family or personal reasons, lower housing costs and more opportunities. Also noted by several employers was an easier commute into Boone or Winnebago County than into Chicago. Further, the opinion was expressed that perhaps executives and professionals do not want to live and work in the same surroundings.

For those who disagreed with the statement, most were of the opinion that these executives and professionals choose to commute into Chicago, but live in Boone or Winnebago County where the cost of living is considerably less.

Finally, some of the employers interviewed believed that most executives and professionals both live and work in Boone or Winnebago County.

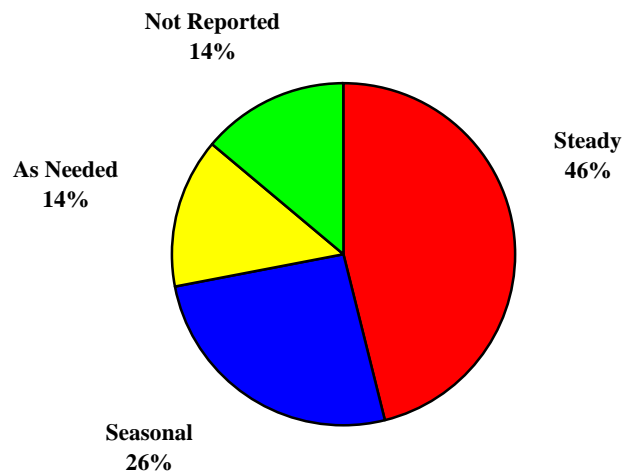


**EMPLOYER OPINIONS
THE BOONE AND WINNEBAGO COUNTIES AREA
WORKFORCE**

Hiring Trends

Almost half (46%) of area employers interviewed reported that hiring in their respective companies is steady. Seasonal hiring was reported by 26% of the employers, with the greatest percent of hirings (30%) coming during the summer months. Other seasonal hirings varied almost equally between the first half of the year and the last half. 14% of the employers hire as needed throughout the year with no particular times being higher or lower.

HIRING



WIB EMPLOYER INTERVIEW FORM - 2006

Hired by: Boone & Winnebago Counties Workforce Investment Board

| | |
|--------------------------|----------------------------|
| Location (County, State) | |
| Company | Phone |
| Contact | Title |
| # of Employees | Union or Non-Union or Both |
| Operation | Name of Union(s) |
| In community since | |

How do you chiefly recruit your workers?

- word of mouth
- newspaper
- internet
- walk-ins
- staffing/temp service
- referrals
- job board
- recruiters
- sign
- state agency
- job fair
- colleges
- professional/trade journals
- radio/tv

Other _____

Approximately what percent of your new hires are individuals who were unemployed?

- Less than 10%
- 10% - 25%
- 25% - 50%
- 50% / 50%
- More than 50%

What are your hiring trends? For example, do you hire more people during a certain time of the year or is your hiring level throughout the year?



Please provide your opinion on the following factors by rating them either "excellent", "good", "fair" or "poor".

| | | | | |
|--------------------------------------|-----------|------|------|------|
| Availability of Skilled Workers | Excellent | Good | Fair | Poor |
| Availability of Unskilled Workers | Excellent | Good | Fair | Poor |
| Availability of Professional Workers | Excellent | Good | Fair | Poor |
| Availability of Technical Workers | Excellent | Good | Fair | Poor |
| Worker Productivity | Excellent | Good | Fair | Poor |
| Worker Reliability | Excellent | Good | Fair | Poor |
| Worker Attitudes | Excellent | Good | Fair | Poor |
| Worker Reading Skills | Excellent | Good | Fair | Poor |
| Worker Writing Skills | Excellent | Good | Fair | Poor |
| Worker Arithmetic Skills | Excellent | Good | Fair | Poor |
| Worker Teamwork Skills | Excellent | Good | Fair | Poor |
| Worker Entry Level Skills | Excellent | Good | Fair | Poor |

In terms of your current workers, please rate the following factors "low", "moderate" or "high".

| | | | |
|------------------|-----|----------|------|
| Turnover Rate | Low | Moderate | High |
| Tardiness Rate | Low | Moderate | High |
| Absenteeism Rate | Low | Moderate | High |



Do you test for substance abuse? YES NO

(If YES) What methods do you use?

- pre-employment
- random cause post-accident return to work

Other _____

(IF PRE-EMPLOYMENT IS YES) Approximately what percent of your potential new hires fail the pre-employment drug test? _____

Would you rate substance abuse among your current workers as Low, Moderate or High?

| | | | |
|-----------------|-----|----------|------|
| Substance Abuse | Low | Moderate | High |
|-----------------|-----|----------|------|

What skills do you feel are most needed in the area workforce?



How would you rate the local public schools in terms of delivering the skills that are needed for the area workforce?

Excellent

Good

Fair

Poor

What gaps exist in the local public schools offerings that affect area workers?

How would you rate the local community colleges and technical schools in terms of delivering the skills that are needed for the area workforce?

Excellent

Good

Fair

Poor

What are the local community colleges and technical schools best at?

Do you use them to help with your training needs?

Yes

No

Which ones do you use?



How do you use them? Do they come to your plant or do you send your workers to them?

What skills gaps exist in area training programs?

What specific training needs do you have?

How will your workforce training needs change in the future?

What workforce trends do you see emerging in your industry?

for example, employee incentives, outsourcing



Are area workers flexible and responsive to industry trends and changes?

YES NO

Does your company do business internationally? YES NO

(IF YES) What percentage of your business is international? _____

Does your company have operations in other locations? YES NO

How does your workforce compare with the workforces in those other locations, if known?

BETTER ABOUT THE SAME NOT AS GOOD DON'T KNOW

Some of the executives and professionals who work in either Boone & Winnebago County live in a different county. Why do you think that is?

These are all the questions I have. Thank you so much for your time. You've been very helpful.





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