

THE ALLEGHANY HIGHLANDS AREA
Of
VIRGINIA

LABOR AVAILABILITY REPORT
February, 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 Alleghany Highlands area of Virginia 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 Alleghany Highlands Economic Development Corporation to quantify the extent to which both unemployment and underemployment exist in the Alleghany Highlands 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 Alleghany Highlands 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 Alleghany Highlands area, referred to in this report as the “labor shed”, has a household population of approximately 74,300; a civilian labor force of approximately 35,800; and a pool of approximately 2,700 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 8,700 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 \$14.84 per hour, and their median desired pay rate is \$17.10 per hour.
- The median desired pay rate of the unemployed workers who are actively seeking work is \$13.02 per hour.
- Survey results indicate 4% of the underemployed and 7% of unemployed, actively seeking work individuals have less than a high school degree.
- In addition to the underemployed and those unemployed individuals who are actively seeking work, survey results indicate approximately 900 unemployed individuals in the labor shed who are not actively seeking work but would consider re-entering the workforce.
- In total, the Alleghany Highlands area has approximately 12,300 available workers for new or expanding businesses.
- No employer expressed concern about union activity in the area. Only one out of the fifteen surveyed reported being a union operation.



METHODOLOGY

The first step in assessing the workforce of the Alleghany Highlands 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 Alleghany Highlands 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 Alleghany County in Virginia; portions of Bath, Botetourt, Craig and Rockbridge Counties in Virginia; the Cities of Covington and Lexington in Virginia; and, portions of Greenbrier and Monroe Counties in West Virginia.

Selected online resources were used in this project. Additionally, The Pathfinders conducted interviews with individuals throughout the Alleghany Highlands 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 Alleghany Highlands Area Labor Shed

The Alleghany Highlands area labor shed has a household population of approximately 74,300. The civilian labor force numbers approximately 35,800, and the labor shed contains approximately 2,700 unemployed people who are actively seeking work.

The results of this assessment determined that approximately 8,700 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. Another 900 individuals would consider re-entering the workforce. Together with the unemployed, actively seeking work individuals, the Alleghany Highlands area has approximately 12,300 available workers for new or existing employers.

TOTAL AVAILABLE WORKERS

Number of underemployed workers	8,700
Number of unemployed, actively seeking work individuals	2,700
Number of unemployed individuals who are considering re-entering the workforce	900
Total Number of Workers Available for Employers*	12,300

* 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 Alleghany Highlands Area Labor Shed

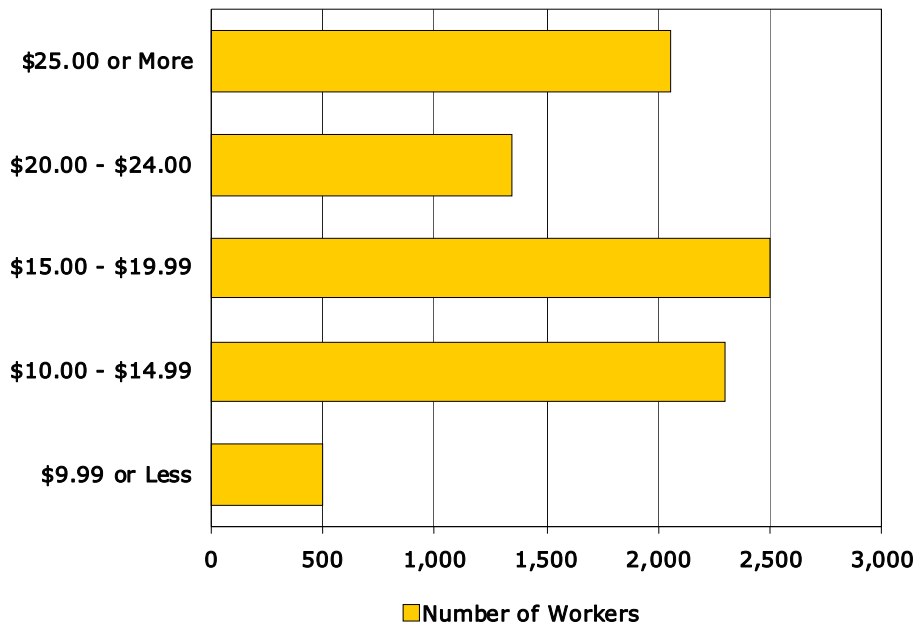
The 8,700 underemployed workers identified in this report might also be termed “upgraders”. They desire to move into an upgraded job and appear to possess the skills, education, and experience to enable them to do so. The following charts represent the desired pay rates of the underemployed individuals 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)

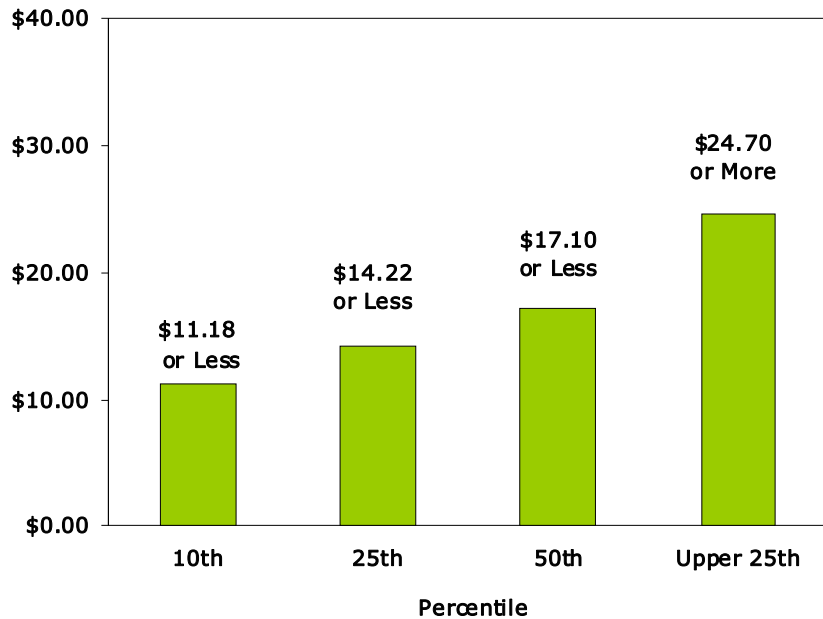
Desired Pay Rate	Number Available
\$7.99 or Less	100
\$8.00 - \$9.99	400
\$10.00 - \$11.99	700
\$12.00 - \$13.99	800
\$14.00 - \$15.99	2,100
\$16.00 - \$17.99	700
\$18.00 - \$19.99	500
\$20.00 - \$21.99	450
\$22.00 - \$23.99	500
\$24.00 - \$25.99	800
\$26.00 - \$27.99	300
\$28.00 - \$29.99	250
\$30.00 - \$31.99	350
\$32.00 - \$33.99	100
\$34.00 - \$35.99	200
\$36.00 or More	450



DESIRED WAGE RATES PER HOUR BY RANGE
8,700 Underemployed Workers



DESIRED WAGE RATES PER HOUR BY PERCENTILE
8,700 Underemployed Workers



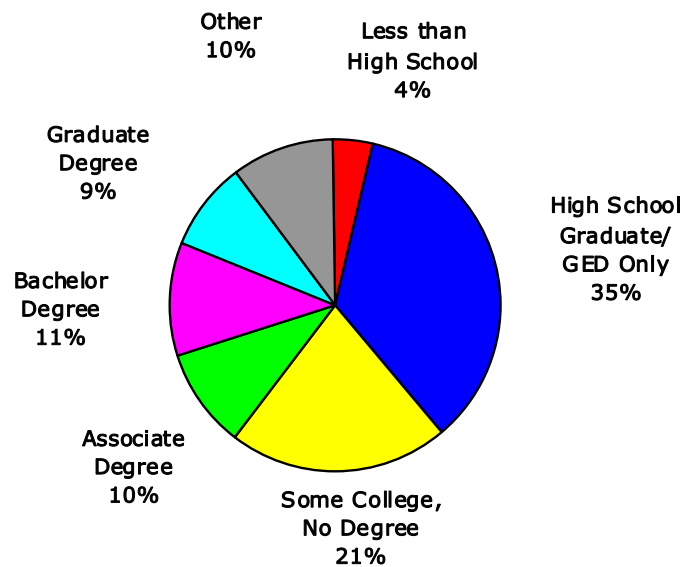
CHARACTERISTICS OF UNDEREMPLOYED WORKERS

The Alleghany Highlands Area Labor Shed

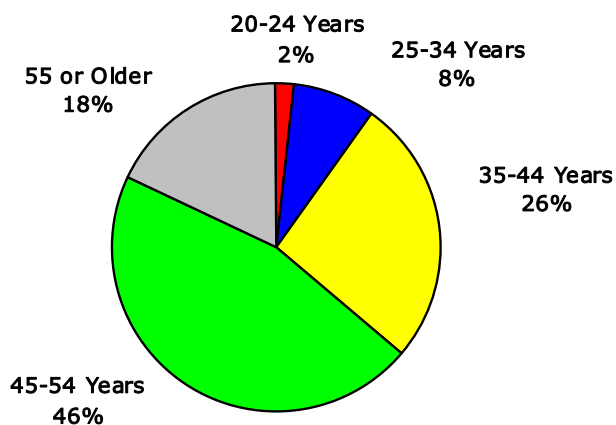
8,700 Underemployed Workers

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.**

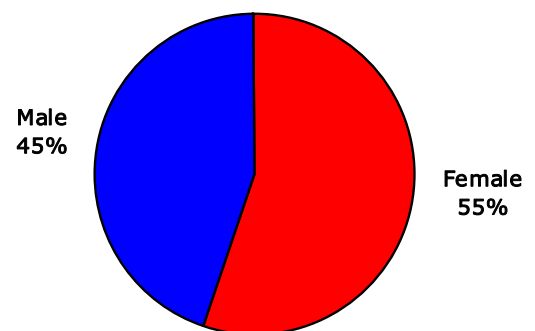
EDUCATION



AGE

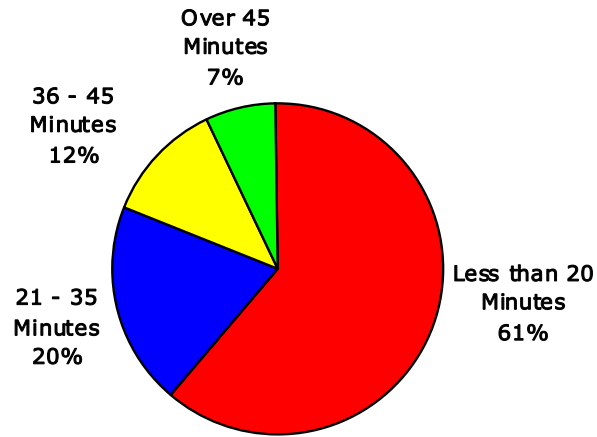


GENDER

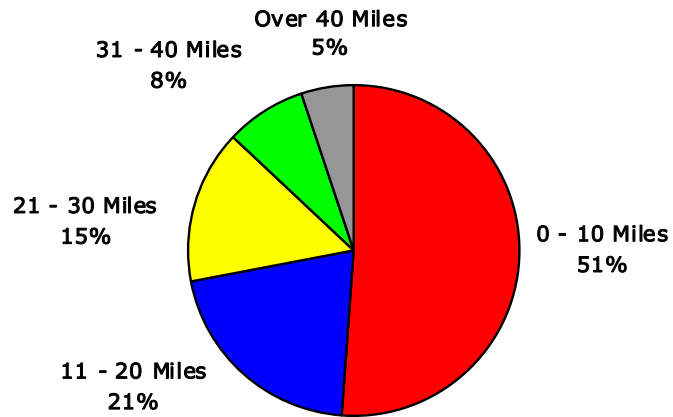


CHARACTERISTICS OF UNDEREMPLOYED WORKERS 8,700 Underemployed Workers

CURRENT COMMUTE TIME



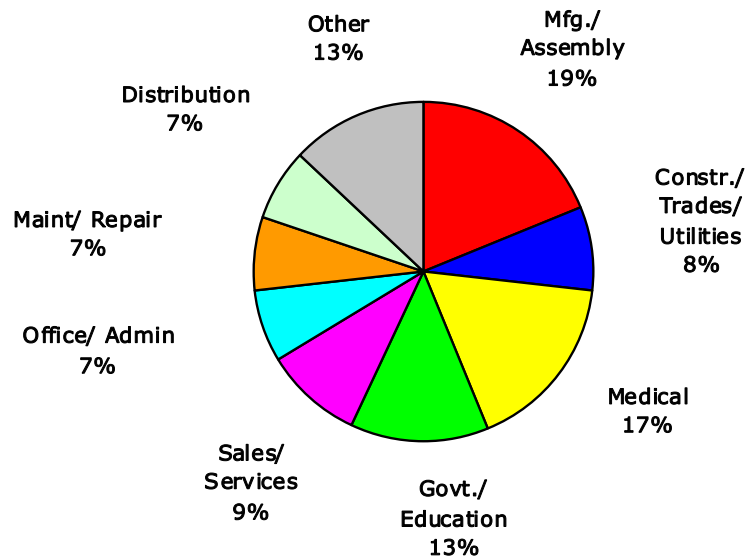
CURRENT COMMUTE DISTANCE



CHARACTERISTICS OF UNDEREMPLOYED WORKERS

8,700 Underemployed Workers

CURRENT AREA OF EMPLOYMENT



LENGTH OF TIME IN CURRENT JOB



EXPERIENCE AND SKILLS – UNDEREMPLOYED WORKERS**8,700 Underemployed Workers**

Experience Category	Number of Workers (Rounded)	Percentage of Total	Average Years of Experience
Customer Service	6,400	74%	13
Office Operations	5,500	63%	11
Mid to Upper Management	4,300	49%	10
Manufacturing/Assembly/Fabrication	3,700	43%	12
Warehouse/Distribution/Transportation	3,700	43%	10
Information Technology	3,000	34%	11
Maintenance/Installation/Repair	3,000	34%	13
Medical/Health Sciences	2,400	28%	11
Call Center	600	7%	4

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

Skills	Number of Workers (Rounded)	Percentage of Total
Office Operations	5,500	63%
Mid to Upper Management	5,000	57%
Warehouse/Materials Handling	4,300	49%
Manufacturing/Assembly/Fabrication	3,800	44%
Information Technology	3,600	41%
Maintenance/Installation/Repair	3,000	34%
Technician/Quality Assurance	3,000	34%
Medical/Health Sciences	2,900	33%
Electronics/Engineering	1,500	17%



FACTORS AFFECTING JOB DESIRABILITY

8,700 Underemployed Workers

In an effort to identify those factors most important to the Alleghany Highlands 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
Financial Stability of the Company	77%	15%	6%	1%	1%
Salary	66%	27%	5%	1%	1%
Location	52%	22%	23%	2%	1%
Opportunity for Advancement	51%	34%	13%	1%	1%
Flexible Work Schedule	41%	27%	22%	6%	4%
Physical Working Environment	40%	36%	18%	3%	3%

As noted above, the financial stability of the company and salary were the top-rated factors in the underemployed workers' ratings.

Further, the underemployed workers in the Alleghany Highlands labor shed were surveyed as to what types of benefits would influence a decision to take a new job. The results of this question are presented in the table on the following page.



BENEFITS AFFECTING JOB DESIRABILITY
8,700 Underemployed Workers

Influential Benefits	% Reporting
Paid Time Off	92%
Insurance Benefits	91%
Financial Plans	88%
Paid Training Programs	77%
Uniforms	57%
Company Car	46%
Paid Dues & Memberships	44%
Other*	8%

* Other benefits reported included tuition reimbursement and bonuses.



ASSESSMENT OF THE UNEMPLOYED WORKFORCE

The Alleghany Highlands Area Labor Shed

This report documents two groups of unemployed individuals in the Alleghany Highlands 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 2,700 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. Survey results suggest that an additional 900 people, who are not currently employed or actively seeking work, would consider re-entering the workforce.

In total, the labor shed has approximately 3,600 unemployed individuals who would be considered potential workers for a new or expanding operation.

UNEMPLOYED INDIVIDUALS

Number of unemployed, actively seeking work individuals	2,700
Number of unemployed individuals who would considering re-entering the workforce	900

Total Number of Unemployed Individuals Available for Employers	3,600

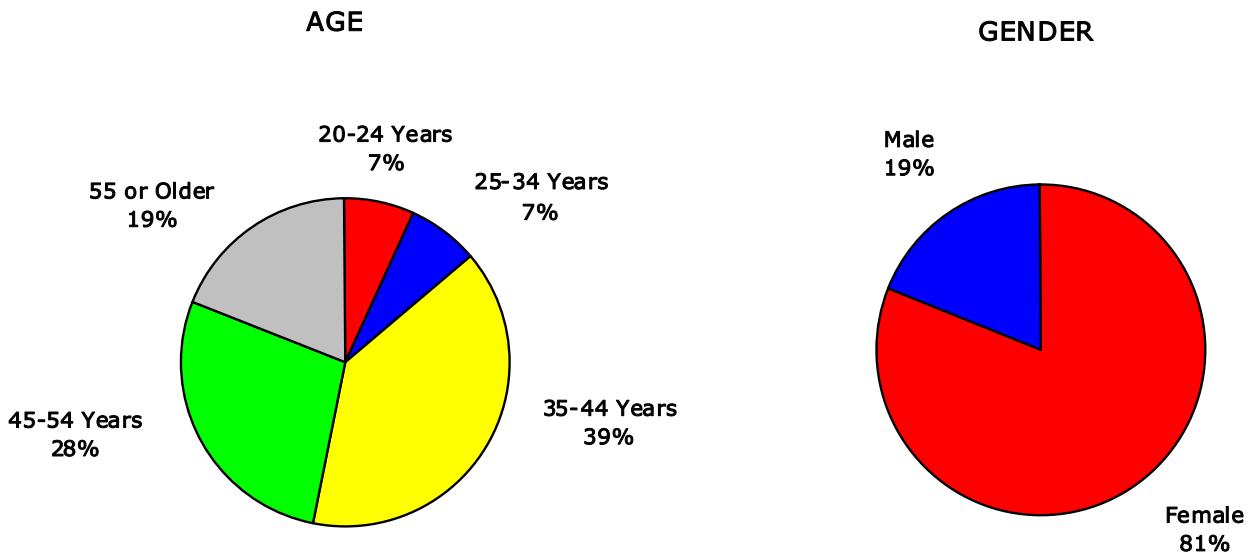
The determinations for these two segments of the workforce have a larger statistical variance than that for the underemployed.



**ASSESSMENT OF INDIVIDUALS WHO
WOULD CONSIDER RE-ENTERING THE WORKFORCE**

**The Alleghany Highlands Area Labor Shed
900 Potential Workers**

The following charts provide information on that segment of unemployed individuals in the labor shed who would consider re-entering the workforce. 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 Alleghany Highlands labor shed, there are approximately 900 individuals who are currently unemployed, not actively seeking work, but would consider re-entering the workforce. They are predominately female and their average age is 44 years.

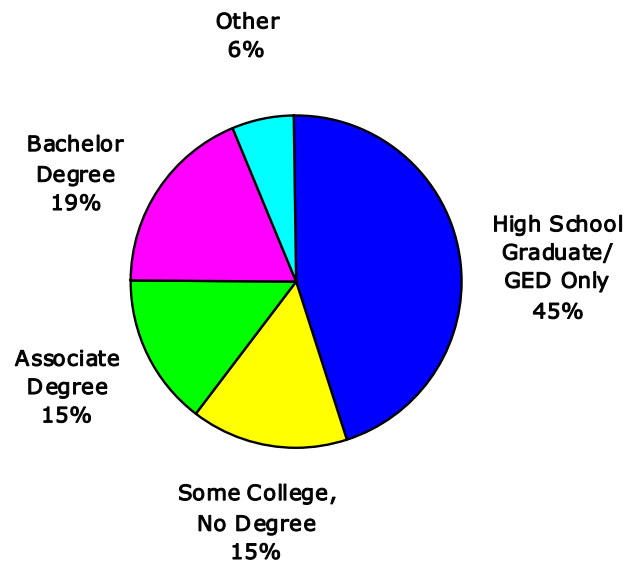


The median desired pay rate of the unemployed individuals in the labor shed who would consider re-entering the workforce is \$12.40 per hour.

**CHARACTERISTICS OF INDIVIDUALS WHO
WOULD CONSIDER RE-ENTERING THE WORKFORCE**

900 Potential Workers

EDUCATION



Skills	Number of Individuals (Rounded)	Percentage of Total
Office Operations	500	55%
Mid to Upper Management	300	36%
Manufacturing/Assembly/Fabrication	300	32%
Warehouse/Materials Handling	300	30%
Medical/Health Sciences	200	25%
Information Technology	200	24%
Maintenance/Installation/Repair	200	19%
Electronics/Engineering	100	15%
Technician/Quality Assurance	100	13%



**CHARACTERISTICS OF INDIVIDUALS WHO
WOULD CONSIDER RE-ENTERING THE WORKFORCE**

900 Potential Workers

Experience Category	Number of Workers (Rounded)	Percentage of Total	Average Years of Experience
Customer Service	600	66%	10
Office Operations	500	55%	8
Mid to Upper Management	300	38%	11
Manufacturing/Assembly/Fabrication	200	26%	8
Warehouse/Distribution/Transportation	200	26%	7
Information Technology	200	21%	5
Maintenance/Installation/Repair	200	19%	6
Medical/Health Sciences	200	18%	6
Call Center	50	2%	1

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

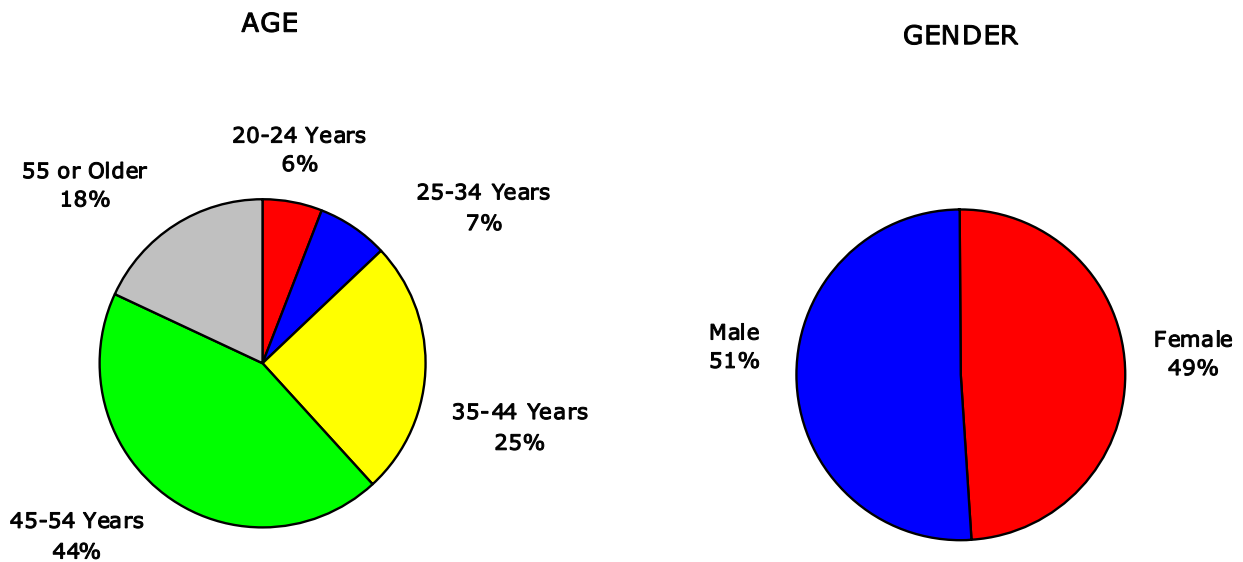
Benefits Influential in Decision to Re-Enter the Workforce	% Reporting
Paid Time Off	93%
Insurance Benefits	89%
Financial Plans	85%
Paid Training Programs	85%
Uniforms	66%
Company Car	42%
Paid Dues & Memberships	49%
Other, including Child Care and Quality Work Environment	4%



**CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS WHO ARE
ACTIVELY SEEKING WORK**

2,700 Workers

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 Alleghany Highlands labor shed, according to published sources, there are approximately 2,700 individuals who are actively seeking work. These individuals are relatively equal in gender, and their average age is 45 years.

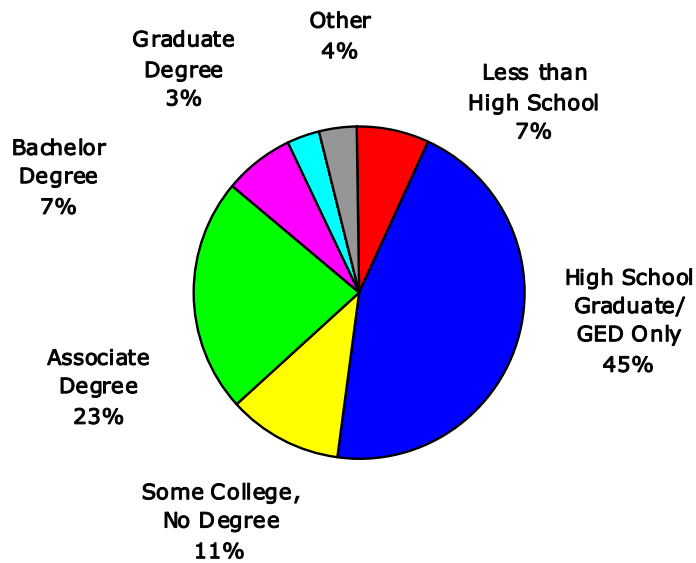


The median desired pay rate of the unemployed workers in the labor shed who are actively seeking work is \$13.02 per hour.

**CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS WHO ARE
ACTIVELY SEEKING WORK**

2,700 Workers

EDUCATION



Skills	Number of Individuals (Rounded)	Percentage of Total
Manufacturing/Assembly/Fabrication	1,400	53%
Office Operations	1,400	51%
Warehouse/Materials Handling	1,100	42%
Mid to Upper Management	1,100	42%
Maintenance/Installation/Repair	1,100	40%
Information Technology	800	30%
Technician/Quality Assurance	600	23%
Medical/Health Sciences	400	14%
Electronics/Engineering	400	14%



CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS WHO ARE ACTIVELY SEEKING WORK

2,700 Workers

Experience Category	Number of Workers (Rounded)	Percentage of Total	Average Years of Experience
Customer Service	1,800	66%	10
Manufacturing/Assembly/Fabrication	1,400	53%	11
Office Operations	1,300	49%	10
Warehouse/Distribution/Transportation	1,200	44%	9
Mid to Upper Management	1,100	42%	9
Maintenance/Installation/Repair	1,100	39%	14
Information Technology	700	25%	7
Medical/Health Sciences	400	14%	9
Call Center	300	11%	2

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

Benefits Influential in Decision to Re-Enter the Workforce	% Reporting
Paid Time Off	96%
Insurance Benefits	97%
Financial Plans	81%
Paid Training Programs	80%
Uniforms	68%
Company Car	68%
Paid Dues & Memberships	53%
Other, including Bonuses and Quality Work Environment	5%

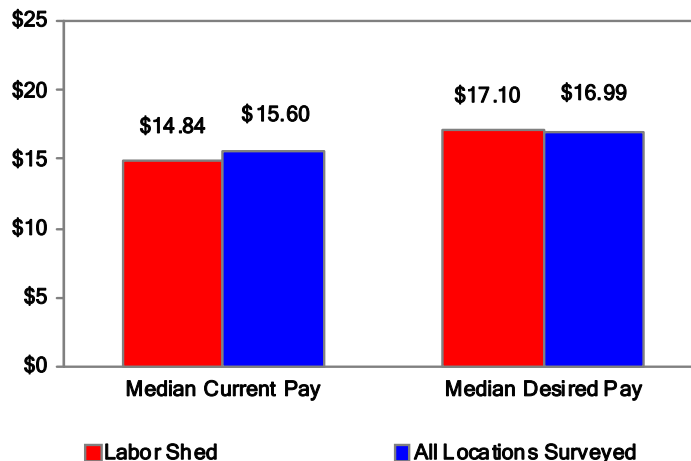


NATIONAL COMPARISONS OF UNDEREMPLOYED WORKFORCE

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 Alleghany Highlands 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 Alleghany Highlands region is referred to as “labor shed”.

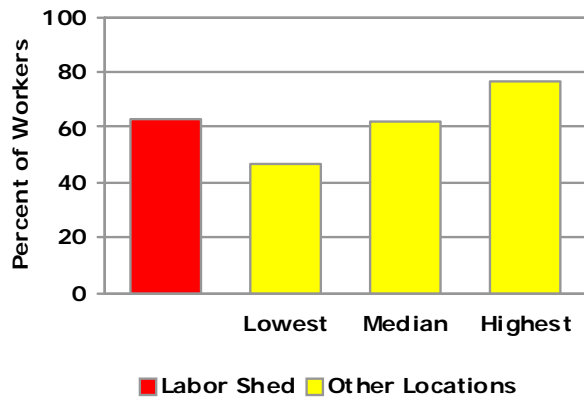
The chart below illustrates the median current and desired wages of the underemployed workers in the Alleghany Highlands labor shed as compared to those underemployed workers in all locations surveyed by The Pathfinders over the past eighteen months. As indicated, the median current pay of all surveyed, underemployed workers over the past eighteen months is \$15.60 per hour, and the median desired pay of these workers is \$16.99 per hour. As shown, survey results indicate that the Alleghany Highlands region’s underemployed workers have comparable pay rates in both median current pay and desired pay as other locations surveyed.

COMPARISON OF MEDIAN CURRENT / DESIRED WAGES (per hour)

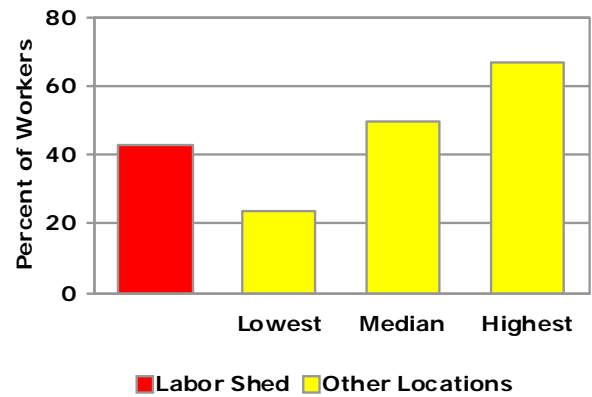


**COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS
The Alleghany Highlands Area /
Locations Surveyed Over the Past 18 Months**

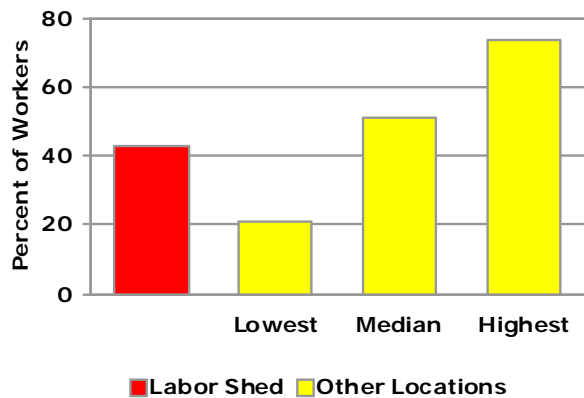
OFFICE



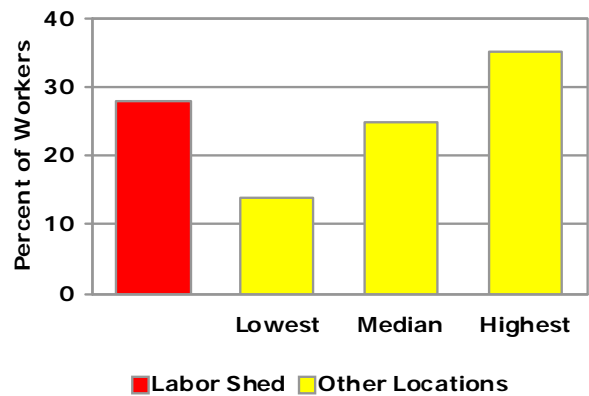
**WAREHOUSE / DISTRIBUTION /
TRANSPORTATION**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



**MEDICAL /
HEALTH SCIENCES**



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

**MAINTENANCE /
INSTALLATION / REPAIR**



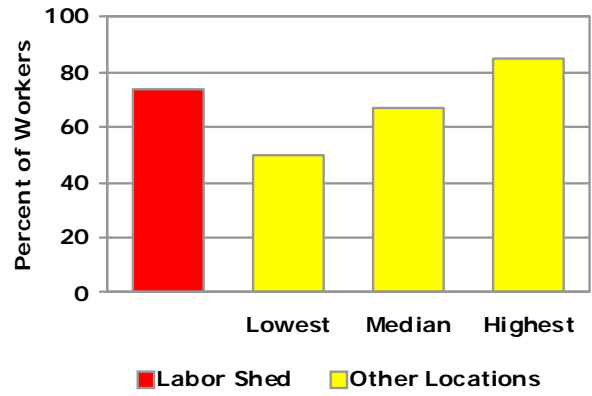
CALL CENTER



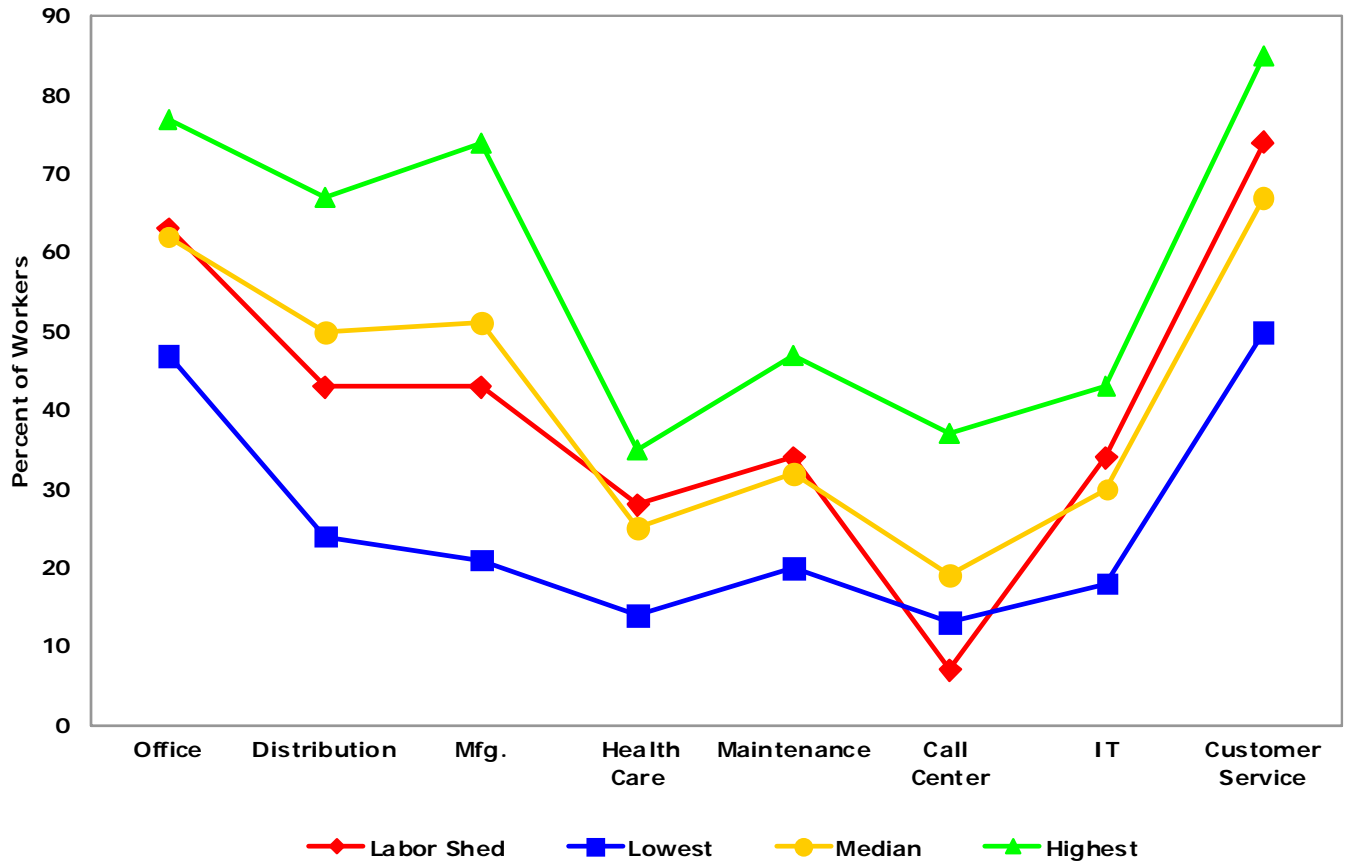
INFORMATION TECHNOLOGY



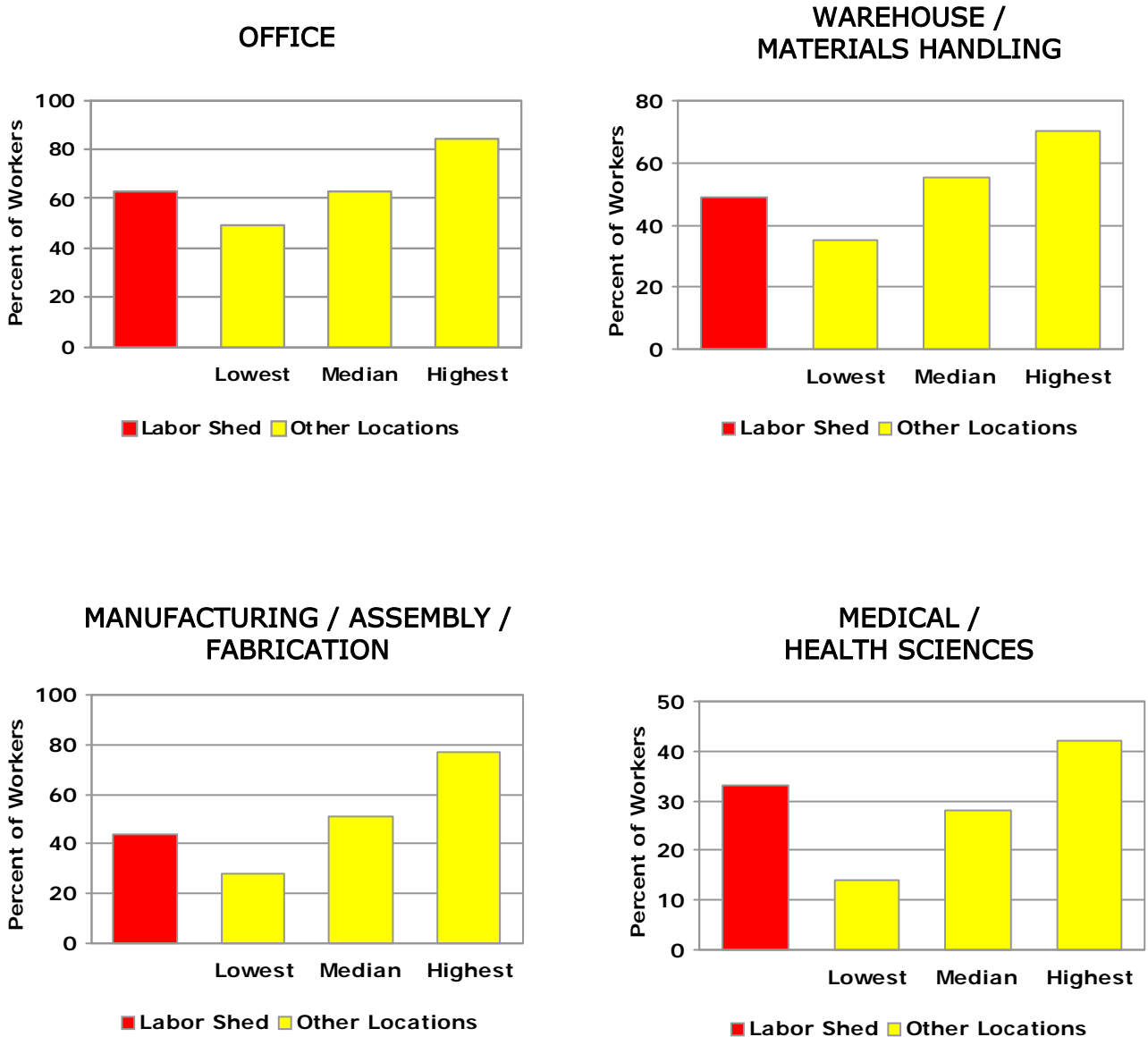
CUSTOMER SERVICE



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

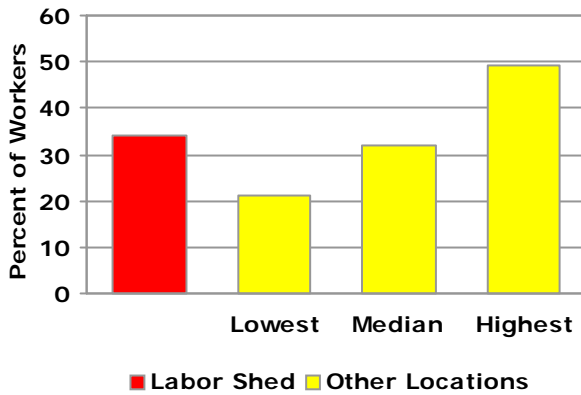


**COMPARISON OF SKILLS
UNDEREMPLOYED WORKERS
The Allegheny Highlands Area /
Locations Surveyed Over the Past 18 Months**



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

**MAINTENANCE /
INSTALLATION / REPAIR**



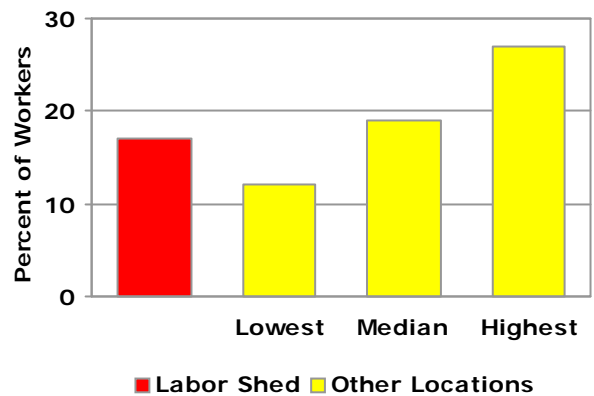
**TECHNICIAN / QUALITY
ASSURANCE**



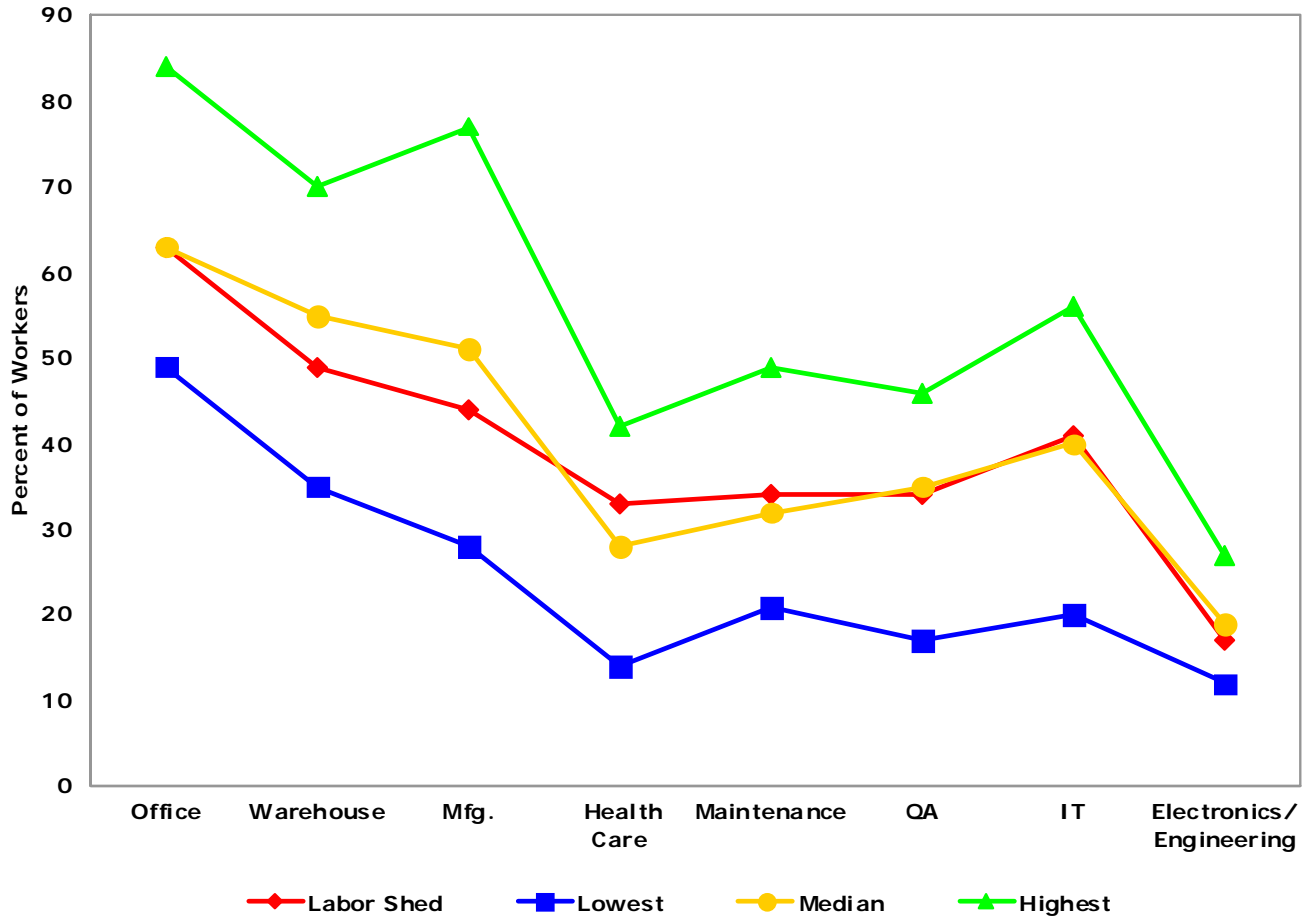
INFORMATION TECHNOLOGY



**ELECTRONICS /
ENGINEERING**



**SUMMARY COMPARISON OF SKILLS
UNDEREMPLOYED WORKERS
The Allegheny Highlands Area /
Locations Surveyed Over the Past 18 Months**





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