

**THE
CHESTER COUNTY, SOUTH CAROLINA
AREA
LABOR AVAILABILITY REPORT**

September, 2009

Compiled and Prepared by



THE PATHFINDERS

www.thepathfindersus.com

TABLE OF CONTENTS

I. INTRODUCTION 1

II. KEY FINDINGS 2

III. METHODOLOGY..... 3

IV. NUMBER OF AVAILABLE WORKERS..... 4

V. ASSESSMENT OF THE UNDEREMPLOYED WORKFORCE 5

A. Desired Wages..... 5

B. Characteristics..... 7

C. Experience and Skills 10

D. Factors Affecting Job Desirability 11

VI. ASSESSMENT OF THE UNEMPLOYED WORKFORCE 12

A. Individuals Who Would Consider Re-entering the Workforce.... 13

B. Individuals Actively Seeking Work..... 17

VII. NATIONAL COMPARISONS OF UNDEREMPLOYED WORKFORCE..... 21

A. Desired Wages 21

B. Experience 22

C. Skills 25

VIII. EMPLOYERS’ RATINGS OF THE WORKFORCE..... 28



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 Chester County area workforce. In site-selection projects, the question that most often drives the search is whether the candidate location has the workforce needed for a new or expanding operation; consequently, an analysis of an area's workforce became a key component of site searches conducted by The Pathfinders. Senior human resources executives from among corporate clients assisted in refining the methodology and report format.

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

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

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



KEY FINDINGS

- The Chester County area, referred to in this report as the “labor shed”, has a household population of approximately 409,300; a civilian labor force of approximately 200,800; and a pool of approximately 32,800 unemployed persons who are actively seeking work.
- The results of this survey indicate that a new or expanding employer will be able to attract employees from an additional pool of about 50,300 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 \$16.40 per hour, and their median desired pay rate is \$17.98 per hour.
- The median desired pay rate of the unemployed workers who are actively seeking work is \$12.40 per hour.
- Survey results indicate 2% of the underemployed and 4% 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 9,100 unemployed individuals in the labor shed who are not actively seeking work but would consider re-entering the workforce.
- In total, the Chester County area has approximately 92,200 available workers for new or expanding businesses.



METHODOLOGY

The first step in assessing the workforce of the Chester County area was to determine the boundaries of the area to be assessed. To accomplish this task, The Pathfinders applied the same reasoning that would be used during a site search for a corporate client considering the area as a potential location. The Chester County survey area includes those locations from which workers might be drawn to a new employer and is referred to in this report as the “labor shed”. This labor shed consists of Chester, York, Lancaster, Fairfield and Union Counties in South Carolina and portions of Newberry, Cherokee and Kershaw Counties in South Carolina.

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

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

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



NUMBER OF AVAILABLE WORKERS

The Chester County Area Labor Shed

The Chester County area labor shed has a household population of approximately 409,300. The civilian labor force numbers approximately 200,800, and the labor shed contains approximately 32,800 unemployed people who are actively seeking work.

The results of this assessment determined that approximately 50,300 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 9,100 individuals would consider re-entering the workforce. Together with the unemployed, actively seeking work individuals, the Chester County area has approximately 92,200 available workers for new or existing employers.

TOTAL AVAILABLE WORKERS

Number of underemployed workers	50,300
Number of unemployed, actively seeking work individuals	32,800
Number of unemployed individuals who are considering re-entering the workforce	9,100
Total Number of Workers Available for Employers*	92,200

* 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 Chester County Area Labor Shed

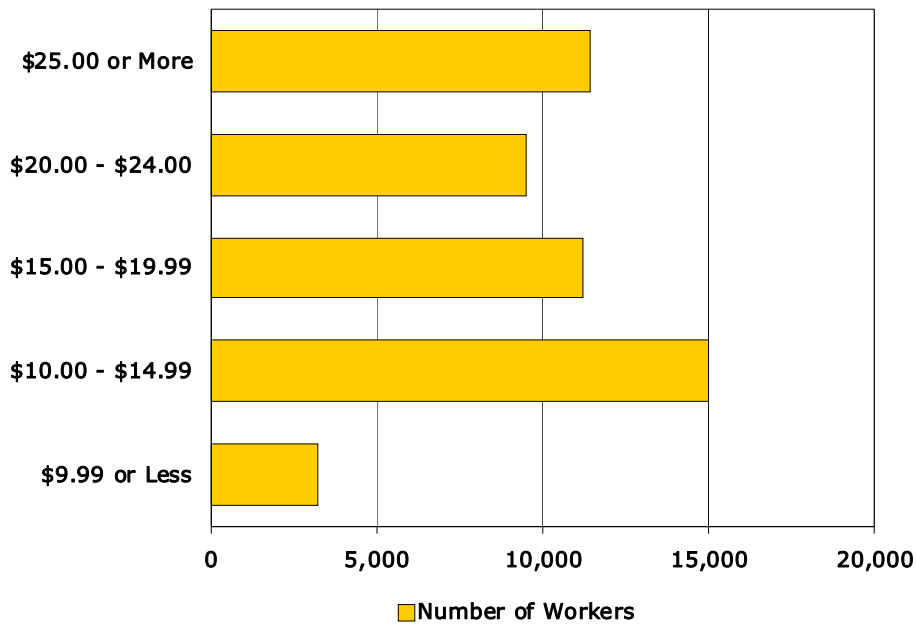
The 50,300 underemployed workers identified in this report might also be termed “upgraders”. They desire to move into an upgraded job and appear to possess the skills, education, and experience to enable them to do so. The following charts represent the desired pay rates of the underemployed individuals 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)

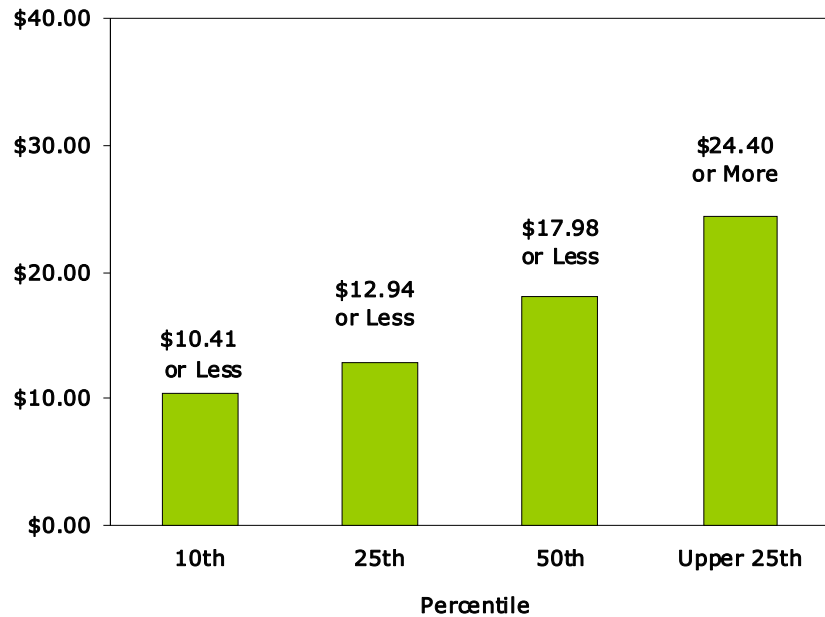
Desired Pay Rate	Number Available
\$7.99 or Less	900
\$8.00 - \$9.99	2,300
\$10.00 - \$11.99	5,800
\$12.00 - \$13.99	7,000
\$14.00 - \$15.99	6,300
\$16.00 - \$17.99	2,900
\$18.00 - \$19.99	4,200
\$20.00 - \$21.99	4,400
\$22.00 - \$23.99	3,200
\$24.00 - \$25.99	3,500
\$26.00 - \$27.99	600
\$28.00 - \$29.99	1,900
\$30.00 - \$31.99	2,300
\$32.00 or More	5,000



DESIRED WAGE RATES PER HOUR BY RANGE
50,300 Underemployed Workers



DESIRED WAGE RATES PER HOUR BY PERCENTILE
50,300 Underemployed Workers



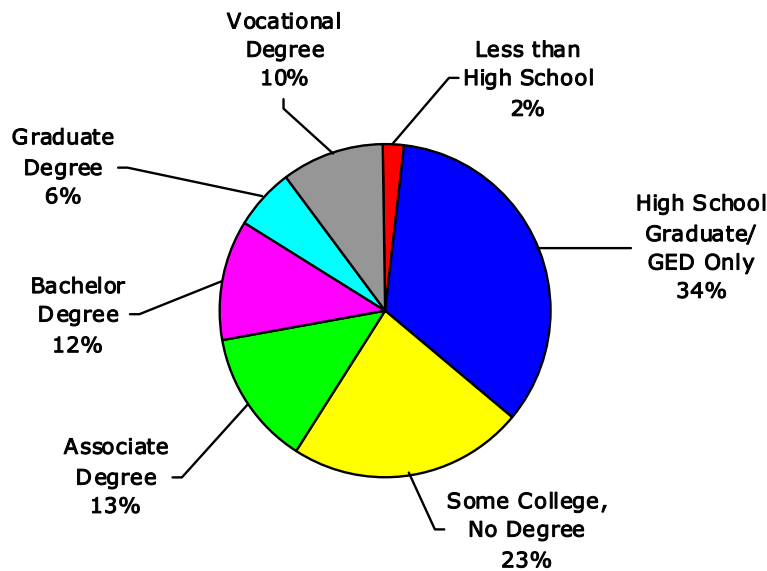
CHARACTERISTICS OF UNDEREMPLOYED WORKERS

The Chester County Area Labor Shed

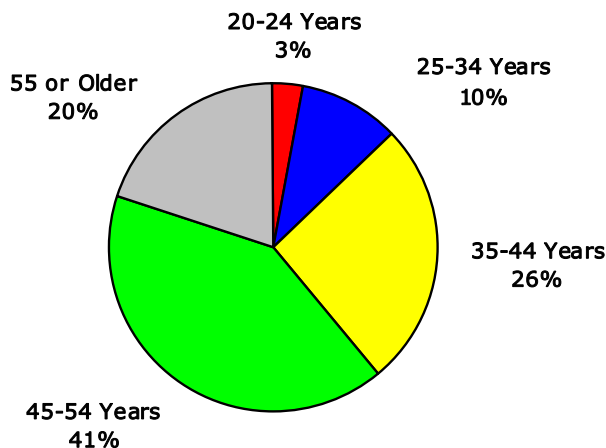
50,300 Underemployed Workers

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.

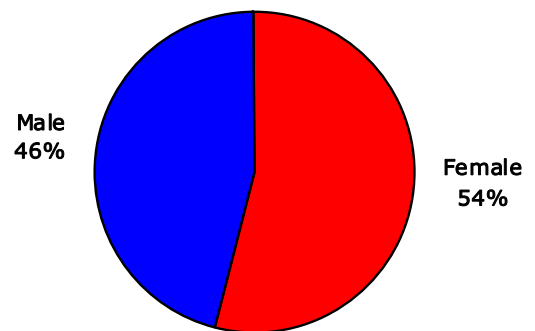
EDUCATION



AGE



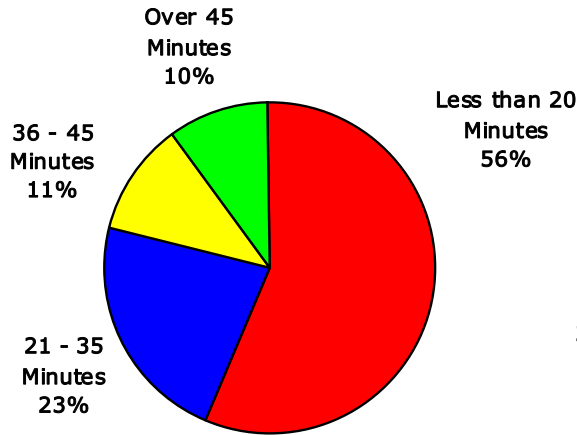
GENDER



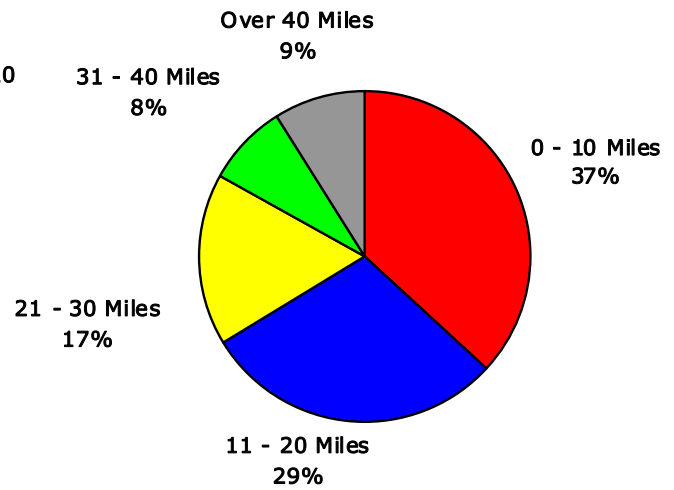
CHARACTERISTICS OF UNDEREMPLOYED WORKERS

50,300 Underemployed Workers

CURRENT COMMUTE TIME



CURRENT COMMUTE DISTANCE

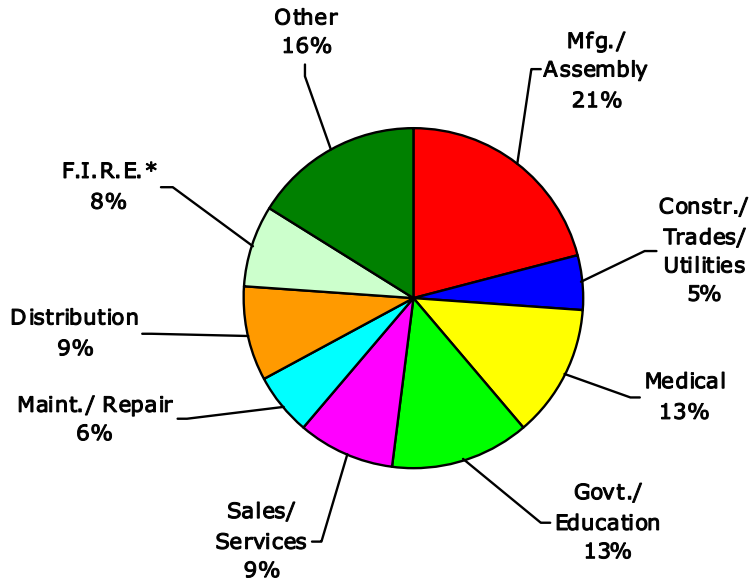


LENGTH OF TIME IN CURRENT JOB



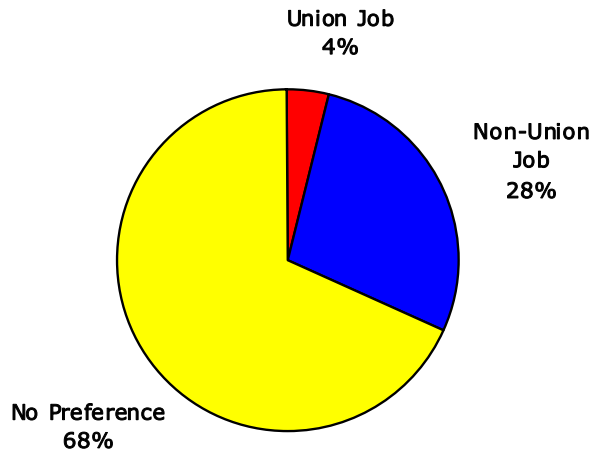
CHARACTERISTICS OF UNDEREMPLOYED WORKERS 50,300 Underemployed Workers

CURRENT AREA OF EMPLOYMENT

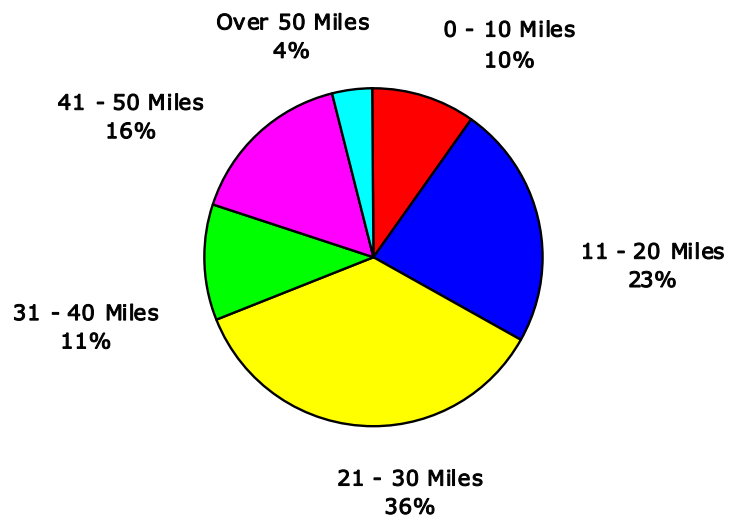


*Finance, Insurance, Real Estate

UNION PREFERENCE



MILES WILLING TO COMMUTE



EXPERIENCE AND SKILLS – UNDEREMPLOYED WORKERS

50,300 Underemployed Workers

Experience Category	Number of Workers (Rounded)	Percentage of Total	Average Years of Experience
Office Operations	32,200	64%	11
Customer Service	31,700	63%	12
Warehouse/Distribution/Transportation	27,700	55%	10
Manufacturing/Assembly/Fabrication	27,200	54%	1
Maintenance/Installation/Repair	18,600	37%	12
Information Technology	15,100	30%	9
Medical/Health Sciences	11,600	23%	9
Call Center	7,500	15%	7

The similarities between the experience and skills categories are designed to ensure inclusiveness considering the multitude of tasks and job titles present in most business, government and institutional operations. 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	32,700	65%
Warehouse/Materials Handling	29,200	58%
Manufacturing/Assembly/Fabrication	26,700	53%
Information Technology	19,600	39%
Technician/Quality Assurance	17,600	35%
Maintenance/Installation/Repair	16,600	33%
Medical/Health Sciences	13,100	26%
Electronics/Engineering	10,100	20%



FACTORS AFFECTING JOB DESIRABILITY

50,300 Underemployed Workers

In an effort to identify those factors most important to the Chester County 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	75%	20%	3%	1%	1%
Insurance Benefits	73%	18%	4%	2%	3%
Retirement Benefits	68%	20%	8%	3%	1%
Salary	60%	25%	12%	1%	2%
Opportunity for Advancement	55%	29%	11%	2%	3%
Paid Training Programs	42%	33%	17%	4%	4%
Physical Working Environment	41%	25%	25%	5%	4%
Location	38%	29%	29%	1%	3%

As shown above, the underemployed workers in the Chester County labor shed rated financial stability of the company and insurance benefits as the two factors most important to them in consideration of a job change. This does not mean that the remaining factors are unimportant to the underemployed workers.



ASSESSMENT OF THE UNEMPLOYED WORKFORCE
The Chester County Area Labor Shed

This report documents two groups of unemployed individuals in the Chester County 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 32,800 unemployed workers in the labor shed who are actively seeking work. This number could possibly be higher due to individuals looking for work who are not on the roles of the state unemployment agencies. Survey results suggest that an additional 9,100 people, who are not currently employed or actively seeking work, would consider re-entering the workforce.

In total, the labor shed has approximately 41,900 unemployed individuals who would be considered potential workers for a new or expanding operation.

UNEMPLOYED INDIVIDUALS

Number of unemployed, actively seeking work individuals	32,800
Number of unemployed individuals who would considering re-entering the workforce	9,100
Total Number of Unemployed Individuals Available for Employers	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/> 41,900

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

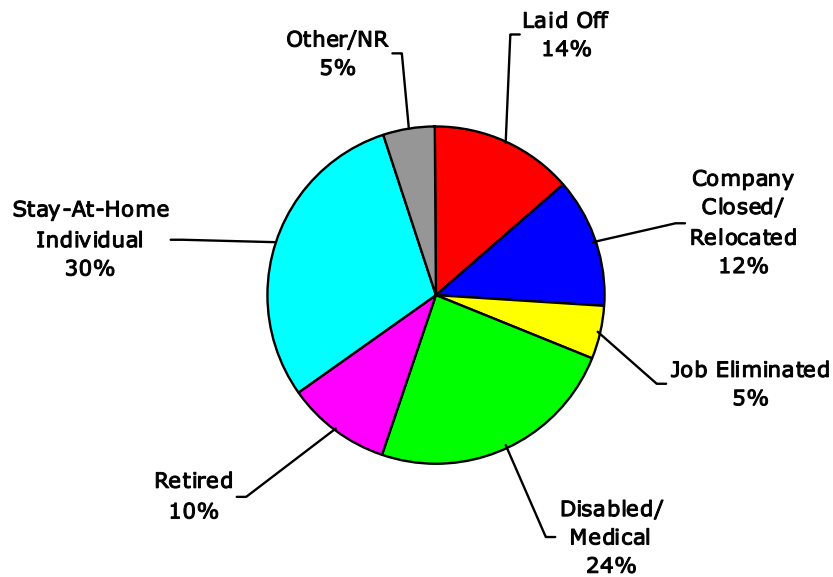


ASSESSMENT OF INDIVIDUALS WHO WOULD CONSIDER RE-ENTERING THE WORKFORCE

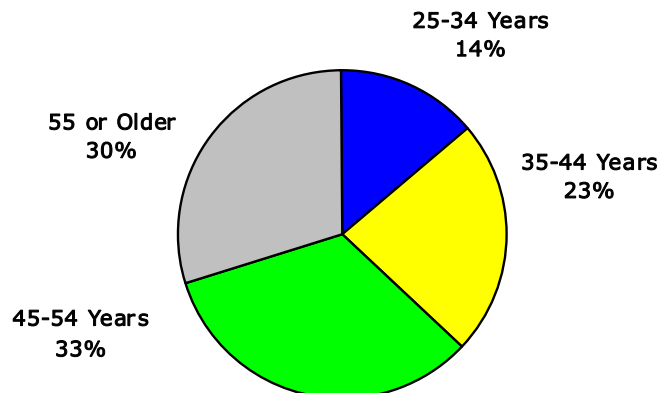
The Chester County Area Labor Shed

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.**

REASONS FOR UNEMPLOYMENT



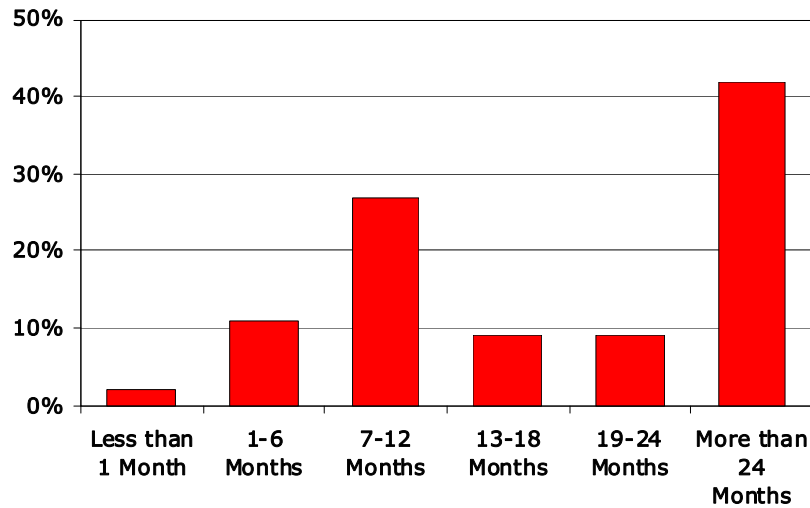
AGE



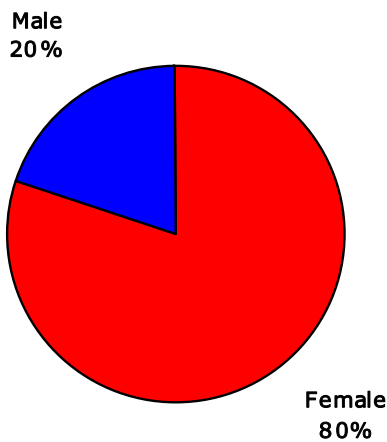
CHARACTERISTICS OF INDIVIDUALS WHO WOULD CONSIDER RE-ENTERING THE WORKFORCE

9,100 Potential Workers

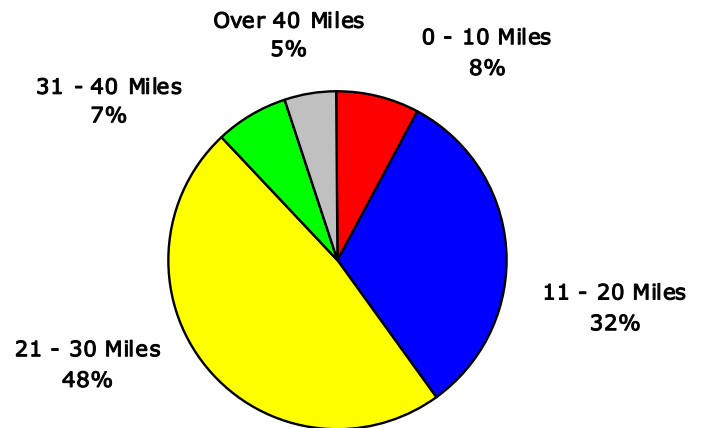
LENGTH OF TIME UNEMPLOYED



GENDER

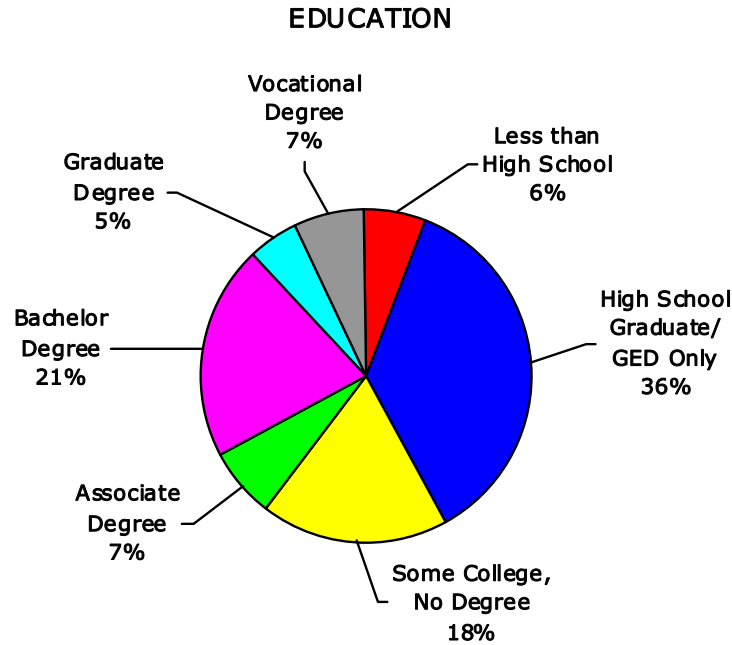


MILES WILLING TO COMMUTE



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

9,100 Potential Workers



- The median desired pay rate of the unemployed individuals who would consider re-entering the workforce is \$15.01 per hour.

- The largest category of most recent employment for the unemployed individuals who would consider re-entering the workforce is manufacturing.

- The two factors most important to the unemployed individuals who would consider re-entering the workforce relative to consideration of a potential employer are retirement benefits and financial stability of the company.

- 9% of the unemployed individuals who would consider re-entering the workforce would prefer a union job; 27% a non-union job; and, 64% have no preference.



**EXPERIENCE AND SKILLS – INDIVIDUALS WHO
WOULD CONSIDER RE-ENTERING THE WORKFORCE**

9,100 Potential Workers

Experience Category	Number of Individuals (Rounded)	Percentage of Total	Average Years of Experience
Customer Service	4,700	52%	8
Office Operations	4,700	52%	7
Manufacturing/Assembly/Fabrication	3,900	43%	9
Warehouse/Distribution/Transportation	3,100	34%	11
Medical/Health Sciences	2,300	25%	9
Information Technology	1,900	21%	9
Maintenance/Installation/Repair	1,500	16%	12
Call Center	500	6%	5

The similarities between the experience and skills categories are designed to ensure inclusiveness considering the multitude of tasks and job titles present in most business, government and institutional operations. It should be noted that individuals polled normally have experience and/or skills in multiple categories.

Skills	Number of Individuals (Rounded)	Percentage of Total
Office Operations	5,200	57%
Manufacturing/Assembly/Fabrication	4,600	50%
Warehouse/Materials Handling	3,900	43%
Information Technology	3,100	34%
Technician/Quality Assurance	2,100	23%
Maintenance/Installation/Repair	2,000	22%
Medical/Health Sciences	2,000	22%
Electronics/Engineering	600	7%

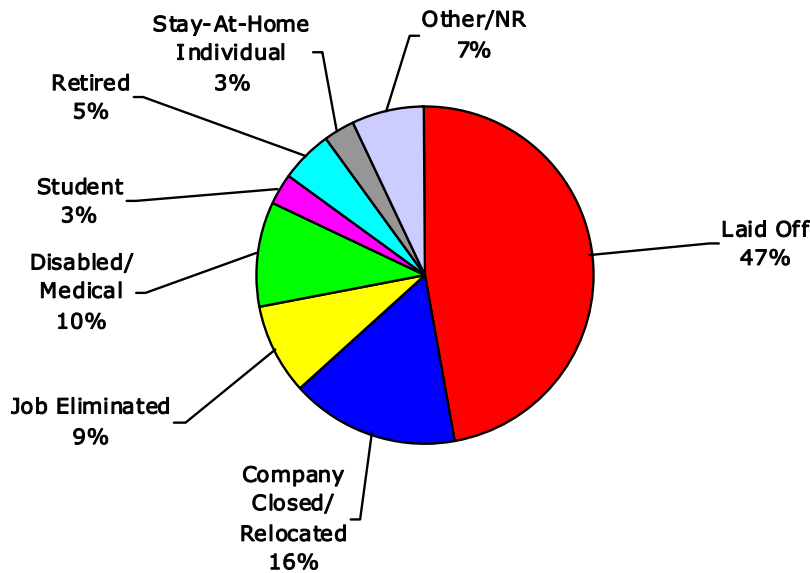


CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS WHO ARE ACTIVELY SEEKING WORK

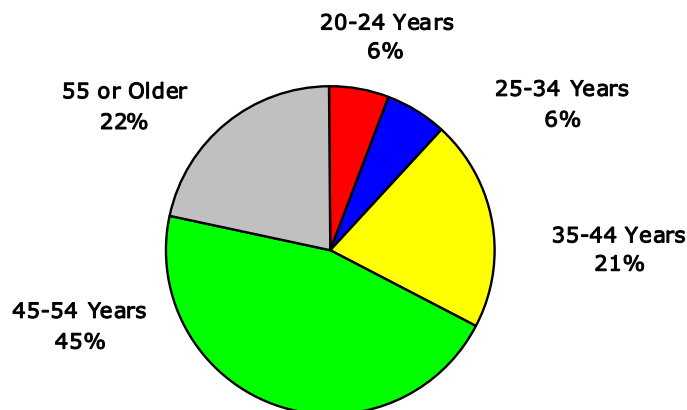
32,800 Workers

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.**

REASONS FOR UNEMPLOYMENT



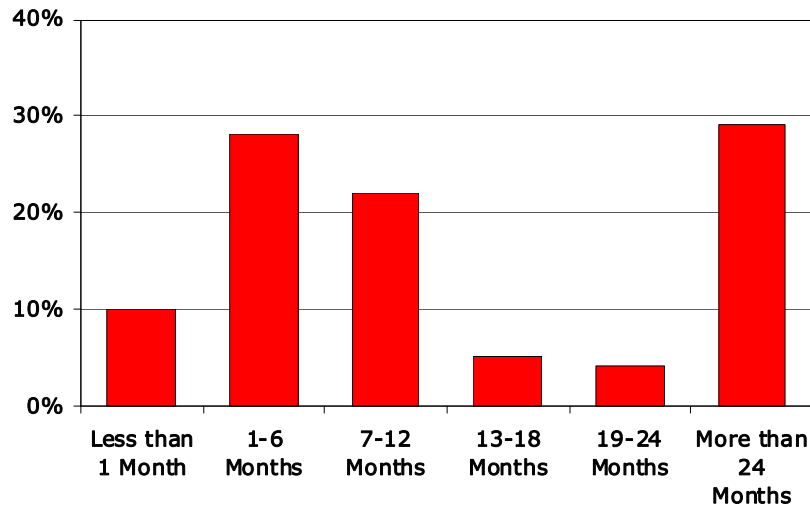
AGE



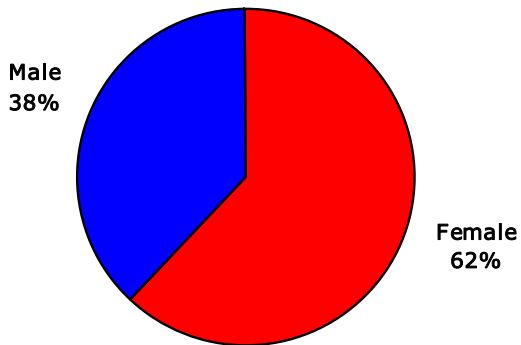
CHARACTERISTICS OF UNEMPLOYED INDIVIDUALS WHO ARE ACTIVELY SEEKING WORK

32,800 Workers

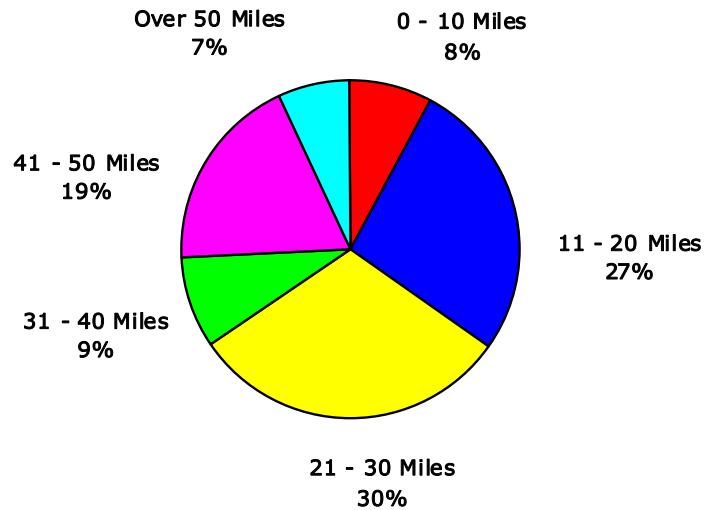
LENGTH OF TIME UNEMPLOYED



GENDER

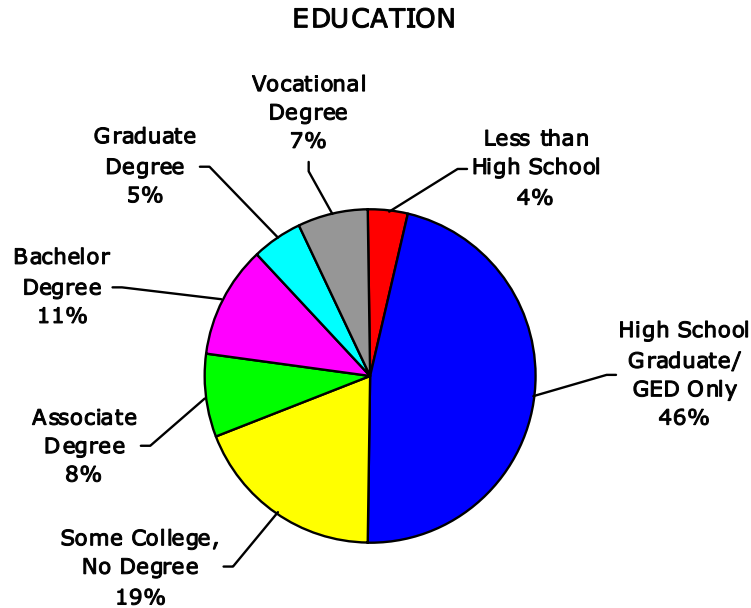


MILES WILLING TO COMMUTE



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

32,800 Workers



- The median most recent pay rate of the unemployed workers who are actively seeking work is \$13.40 per hour. The median desired pay rate of these individuals is \$12.40 per hour.

- The largest category of most recent employment for the unemployed individuals who are actively seeking work is manufacturing.

- The two factors most important to the unemployed individuals who are actively seeking work relative to consideration of a potential employer are retirement benefits and financial stability of the company.

- 8% of the unemployed individuals who are actively seeking work would prefer a union job; 27% a non-union job; and, 66% have no preference.



**EXPERIENCE AND SKILLS OF UNEMPLOYED INDIVIDUALS WHO ARE
ACTIVELY SEEKING WORK**

32,800 Workers

Experience Category	Number of Workers (Rounded)	Percentage of Total	Average Years of Experience
Manufacturing/Assembly/Fabrication	17,400	53%	11
Warehouse/Distribution/Transportation	17,100	52%	7
Customer Service	16,700	51%	8
Office Operations	15,400	47%	9
Maintenance/Installation/Repair	9,500	29%	10
Information Technology	8,900	27%	8
Medical/Health Sciences	6,900	21%	10
Call Center	5,900	18%	3

The similarities between the experience and skills categories are designed to ensure inclusiveness considering the multitude of tasks and job titles present in most business, government and institutional operations. It should be noted that individuals polled normally have experience and/or skills in multiple categories.

Skills	Number of Workers (Rounded)	Percentage of Total
Warehouse/Materials Handling	18,700	57%
Manufacturing/Assembly/Fabrication	17,400	53%
Office Operations	16,700	51%
Information Technology	9,800	30%
Maintenance/Installation/Repair	9,200	28%
Technician/Quality Assurance	8,200	25%
Medical/Health Sciences	7,200	22%
Electronics/Engineering	5,600	17%

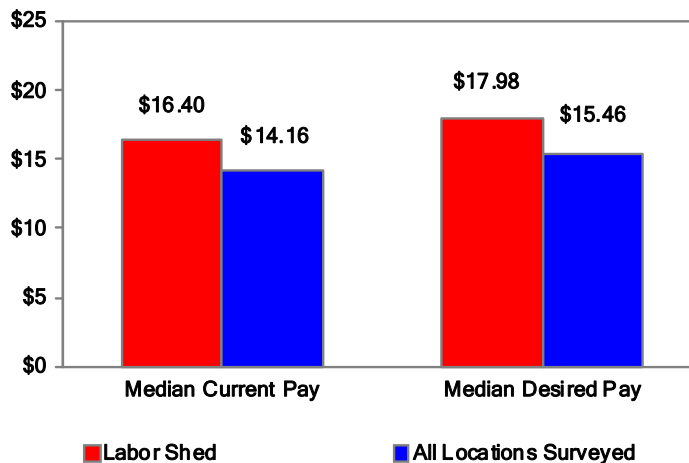


NATIONAL COMPARISONS OF UNDEREMPLOYED WORKFORCE

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 Chester County region as a location will judge its workforce on a comparative basis. The comparative data for other locations used in the following charts reflect information accumulated over the past eighteen months. The Pathfinders maintains a continuing database of over 700 surveyed counties and communities and more than 30 million workers. In the charts, the Chester County region is referred to as “labor shed”.

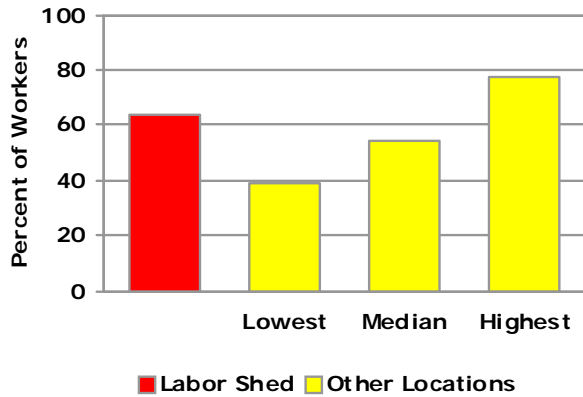
The chart below illustrates the median current and desired wages of the underemployed workers in the Chester County labor shed as compared to those underemployed workers in all locations surveyed by The Pathfinders over the past eighteen months. As indicated, the median current pay of all surveyed, underemployed workers over the past eighteen months is \$14.16 per hour, and the median desired pay of these workers is \$15.46 per hour. As shown, survey results indicate that the Chester County region’s underemployed workers have higher pay rates in both median current pay and desired pay than other locations surveyed.

COMPARISON OF MEDIAN CURRENT / DESIRED WAGES (per hour)



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

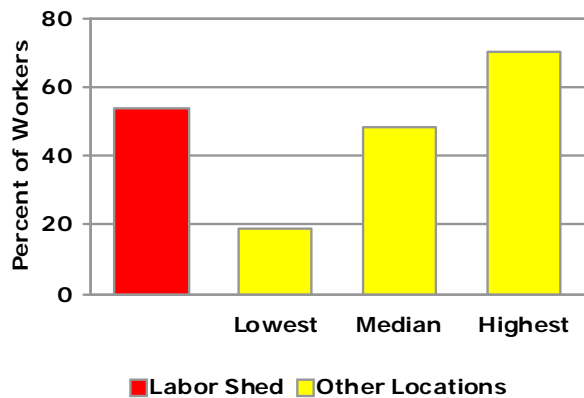
OFFICE



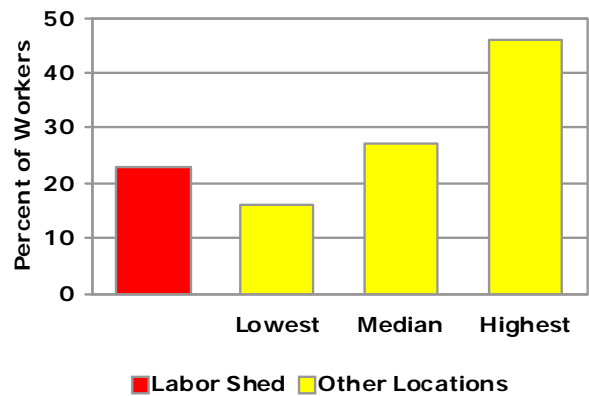
**WAREHOUSE / DISTRIBUTION /
TRANSPORTATION**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



**MEDICAL /
HEALTH SCIENCES**



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

**MAINTENANCE /
INSTALLATION / REPAIR**



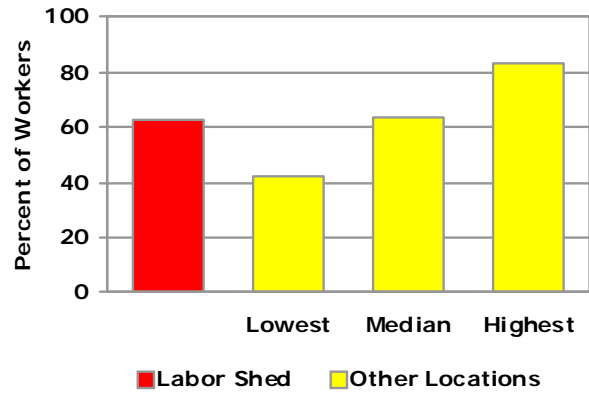
CALL CENTER



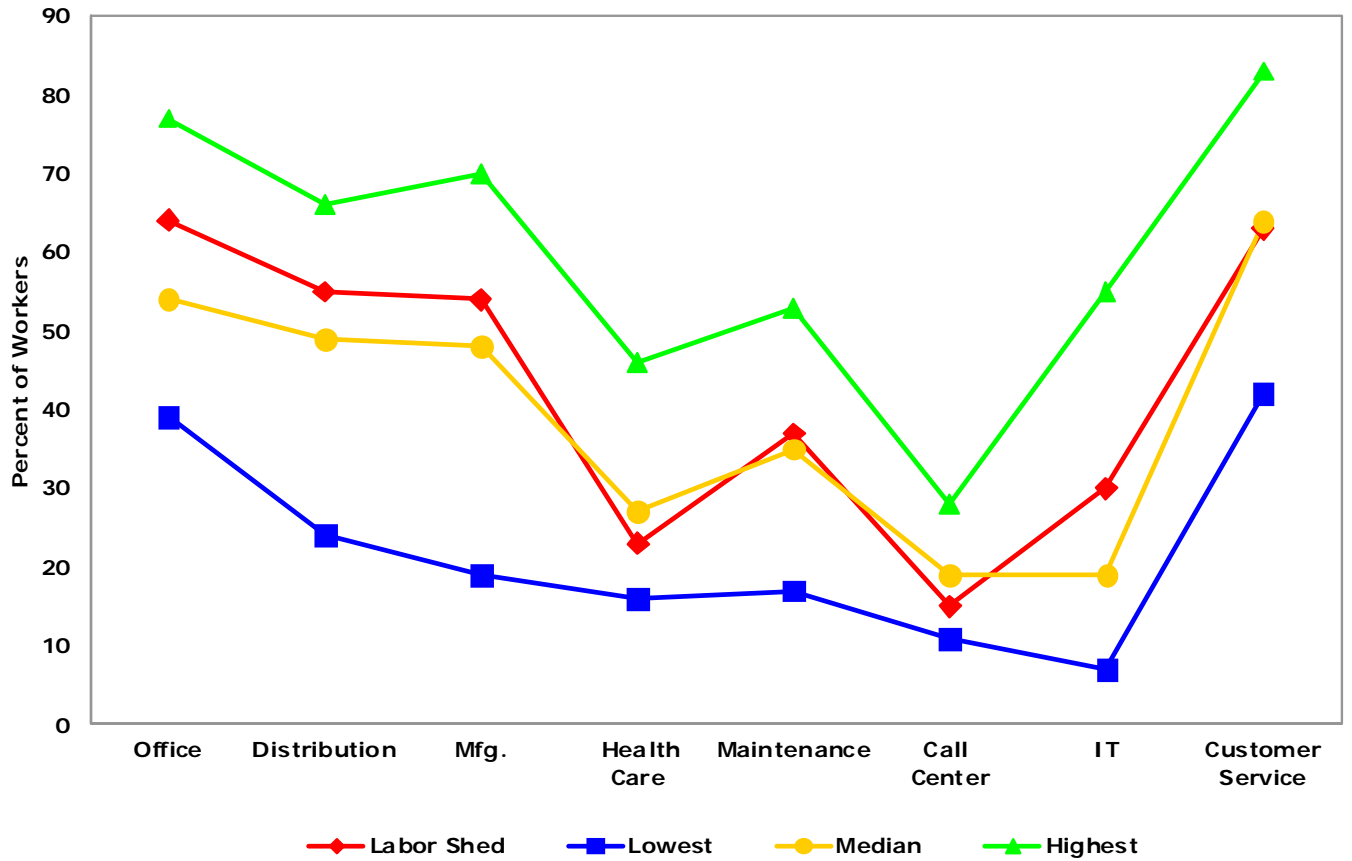
INFORMATION TECHNOLOGY



CUSTOMER SERVICE

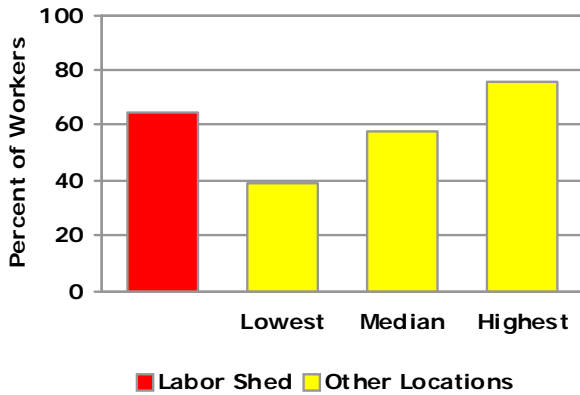


SUMMARY COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS
The Chester County Area /
Locations Surveyed Over the Past 18 Months

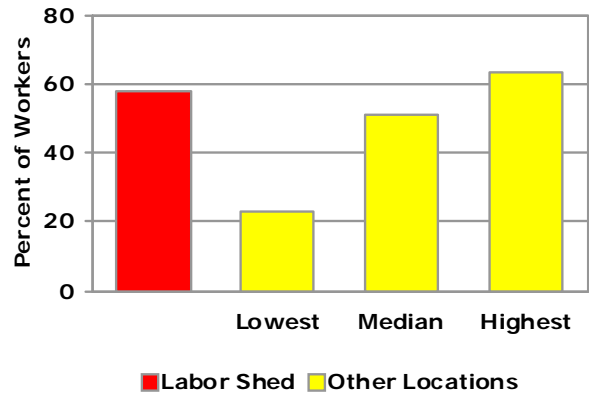


**COMPARISON OF SKILLS
UNDEREMPLOYED WORKERS
The Chester County Area /
Locations Surveyed Over the Past 18 Months**

OFFICE



**WAREHOUSE /
MATERIALS HANDLING**



**MANUFACTURING / ASSEMBLY /
FABRICATION**

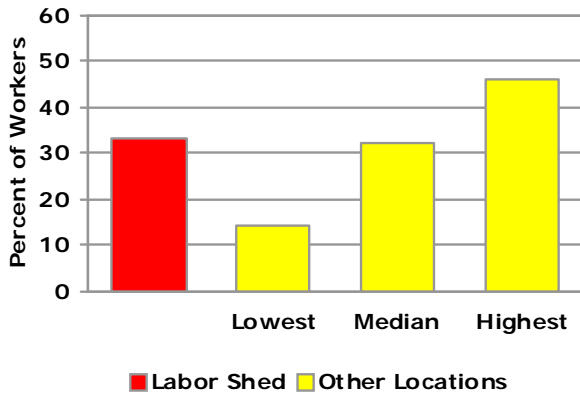


**MEDICAL /
HEALTH SCIENCES**



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

**MAINTENANCE /
INSTALLATION / REPAIR**



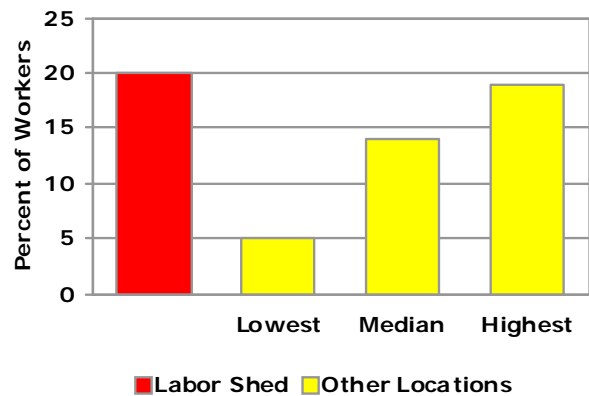
**TECHNICIAN / QUALITY
ASSURANCE**



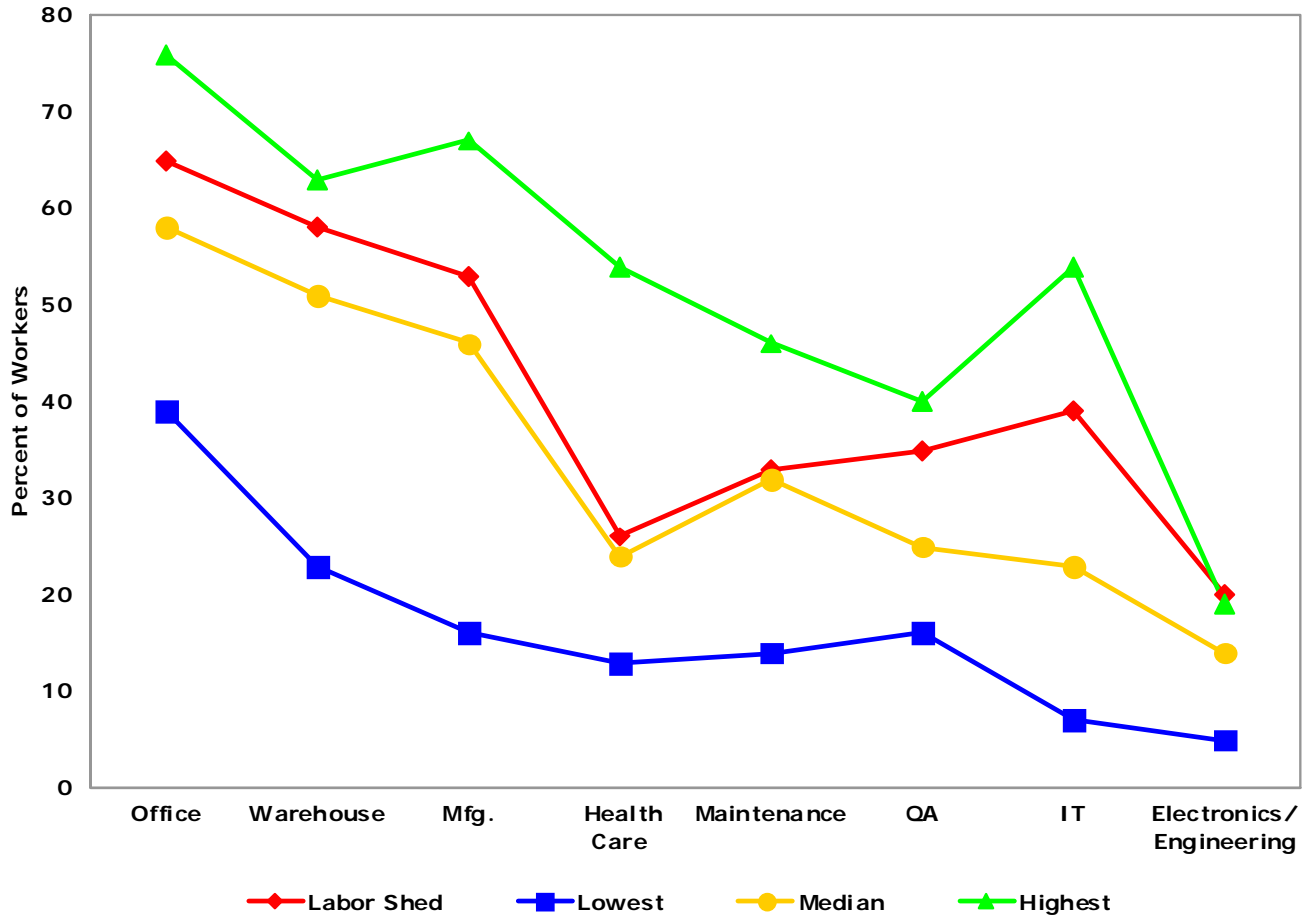
INFORMATION TECHNOLOGY



**ELECTRONICS /
ENGINEERING**



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



EMPLOYERS' VIEWS OF THE THE CHESTER COUNTY AREA TOTAL WORKFORCE

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

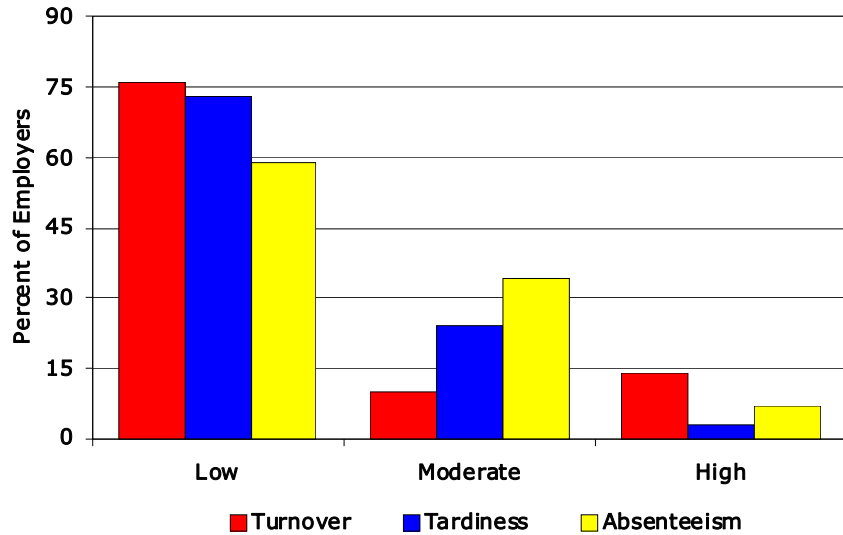
As determined from the employer interviews, the tables below reflect the top two methods used to recruit hourly and salaried workers in the Chester County region and the percent of employers utilizing each method. Employers may use multiple recruitment methods.

Recruiting Methods – Hourly Workers	% of Employers
State Agency	38%
Walk-Ins	37%
Recruiting Methods – Salaried Workers	% of Employers
Newspaper Ads	45%
Internet	31%

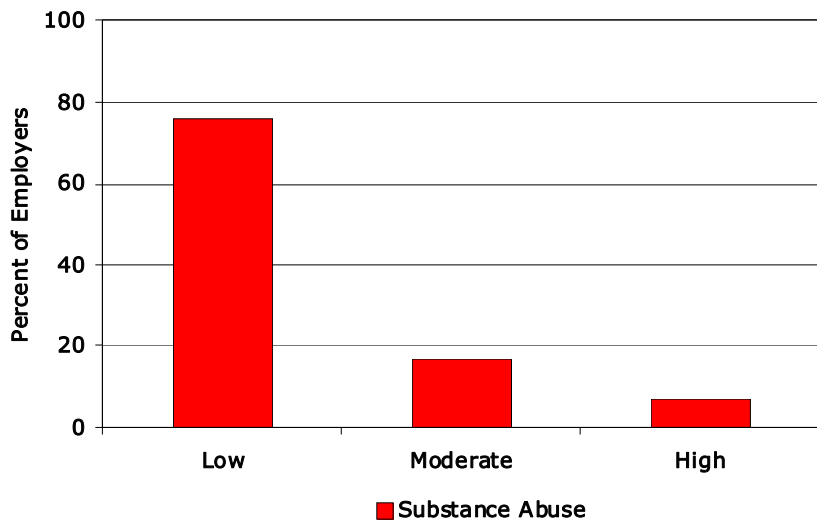
69% of the employers interviewed stated their companies had operations in other regions of the United States. Of these employers, those familiar with the workforces in those other locations reported that their Chester County area operations were comparable to or better than the other regions in terms of profitability and production.



Based upon the experience of The Pathfinders in evaluating labor forces in numerous locations, a definite correlation between productivity, absenteeism, tardiness, turnover, and substance abuse appears to exist. That correlation goes beyond the fact that an absent worker is obviously unproductive. Rather, those factors are indicative of an employee’s attitude toward the job. The chart below shows the percent of employers’ ratings for turnover, tardiness and absenteeism.

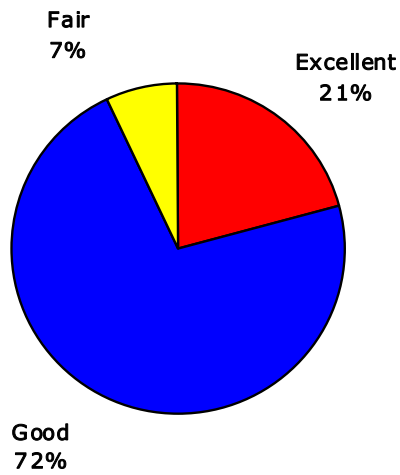


Additionally, in the Chester County region, 86% of the employers interviewed stated their companies tested for substance abuse, primarily pre-employment. Substance abuse within the workforce, as reported by the participating employers, is shown in the chart below.

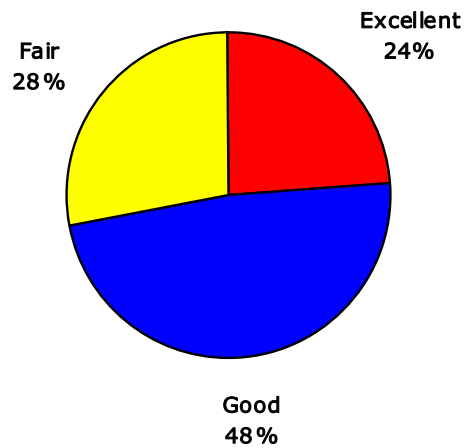


In consideration of all factors, 93% of the employers in the Chester County area rated the productivity of the workforce as "Good" to "Excellent". Worker attitudes received high marks from 86% of the employers.

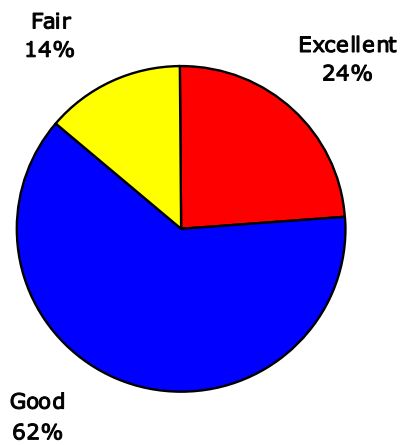
WORKER PRODUCTIVITY



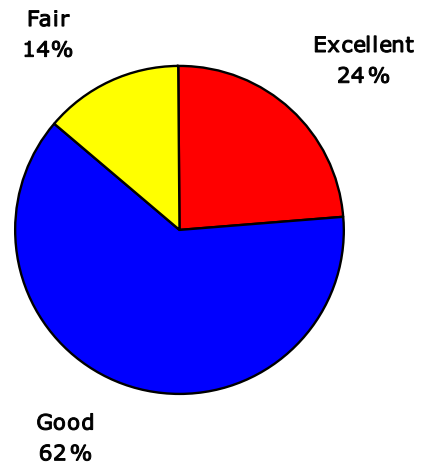
WORKER RELIABILITY



WORKER ATTITUDES

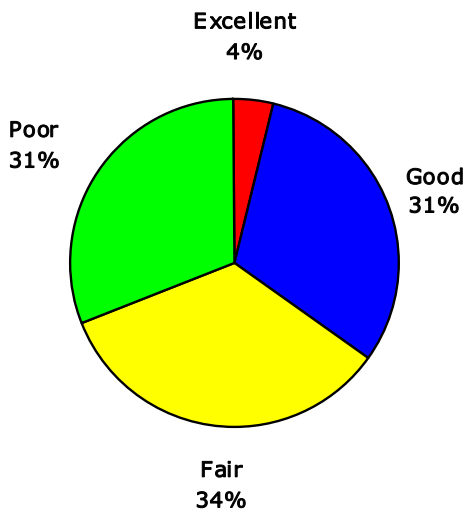


TEAMWORK SKILLS

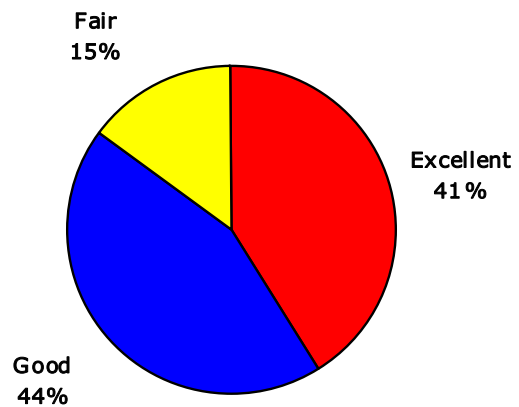


The educational competencies of employees are additional factors used to evaluate an area’s labor force. In the Chester County area, 35% of the employers interviewed rated the local public schools as “Excellent” or “Good”, and 85% of the employers rated the local community colleges and technical schools as “Excellent” or “Good”. Ratings for basic skills and other factors are also shown.

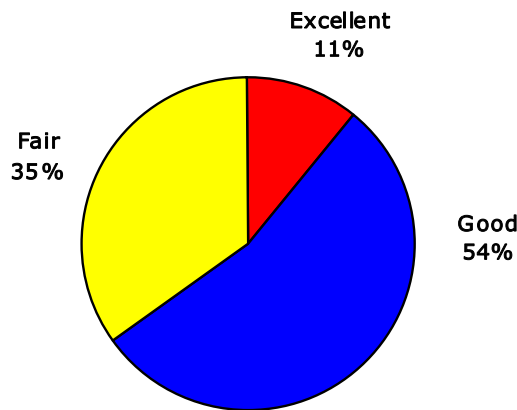
LOCAL PUBLIC SCHOOLS



LOCAL COMMUNITY COLLEGES AND TECH SCHOOLS



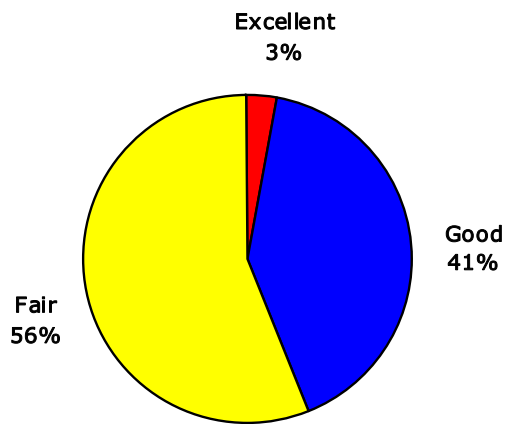
READING SKILLS



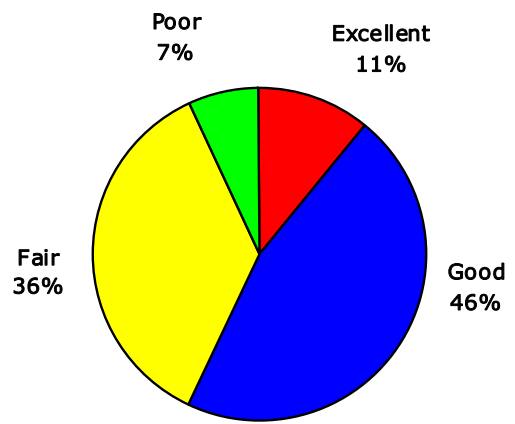
EMPLOYERS' RATINGS

The Chester County Area Labor Shed

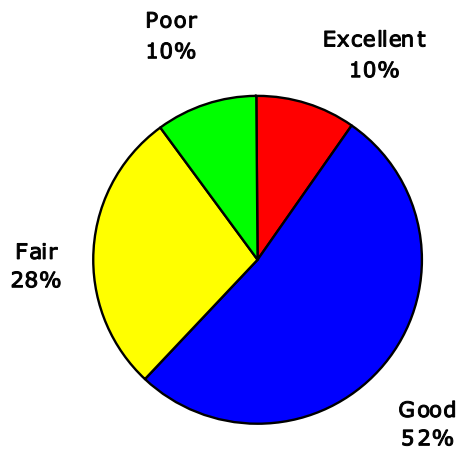
WRITING SKILLS



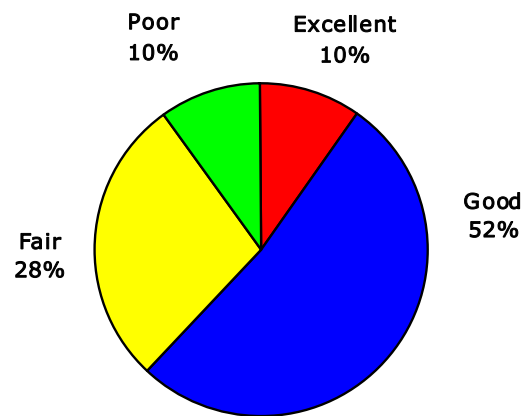
MATH SKILLS



JOB READINESS SKILLS

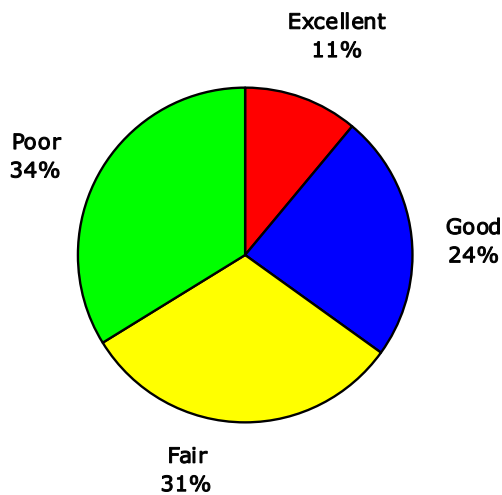


ENTRY LEVEL SKILLS

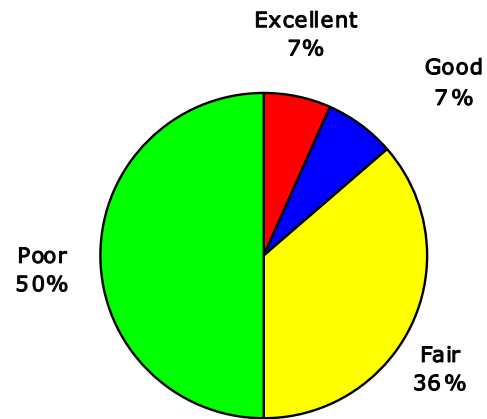


A common employer complaint relates to the shortage of skilled and technical workers. These workers are in great demand and difficult to find in the vast majority of locations. Of the companies in the labor shed interviewed, 35% considered skilled worker availability to be "Excellent" or "Good", while 31% considered it to be "Fair". The availability of technical workers in the labor shed was rated "Excellent" or "Good" by 14% of the interviewed companies and "Fair" by 36%. The ratings for availability of unskilled and professional workers are also illustrated in the pie charts below.

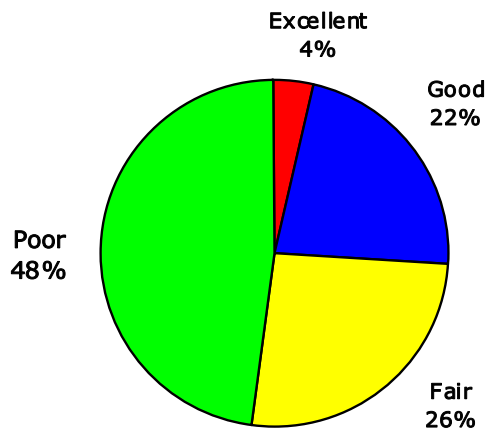
SKILLED WORKERS AVAILABILITY



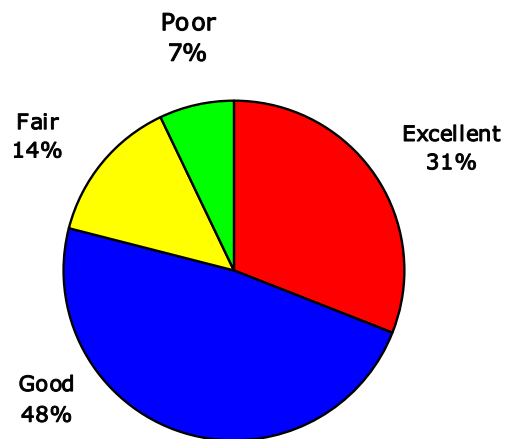
TECHNICAL WORKERS AVAILABILITY



PROFESSIONAL WORKERS AVAILABILITY



UNSKILLED WORKERS AVAILABILITY





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