

Chapter 4

Labor Force and Employment Characteristics

Thayer County and Nonmetropolitan Region

4.1 Introduction

This chapter presents labor market and employment information on the area economy of Thayer County and the surrounding nine county nonmetropolitan region. It combines labor force, employment, and other related information in a short assessment of current conditions and major trends. Specifically, this chapter features a review of labor force and employment trends; wages, prices and income; employment conditions and outlook; and challenges facing the district employers.

Review of state, region, and local labor market information is useful for many purposes. It presents Thayer County officials with a clearer idea of where they stand in relation to the conditions in other areas of Nebraska and to the past, so that policy decisions are formulated on fact. Leaders in education, business and other organizations can also base their decisions on firmer ground. Although national and state labor market information is more detailed and plentiful than it is for the Thayer County and its region, there are still numerous data sources providing information to employment conditions in Thayer County.

Information for this chapter was obtained from publicly available data published by the Nebraska Department of Labor, U.S. Department of Commerce's Bureau of Economic Analysis, and U.S. Department of Labor's Bureau of Labor Statistics. Additional information was obtained from the University of Nebraska Bureau of Business Research.

4.2 Summary

The size of the labor force in the Nonmetropolitan Region has increased between 1990 and 2004, with its peak level recorded in 2003. In 2004, the working age population, defined as the age 16-plus population, was estimated by the U.S. Census Bureau Population Estimates Program to be 82,723 or 80.4 percent of the total population. The labor force included 56,209 individuals, or nearly 68 percent of the working age population. The Nonmetropolitan Region labor force participation rate is less than the rate in Nebraska and the nation.

The rate of unemployment in Thayer County and the Nonmetropolitan Region is consistently below the average in Nebraska and the nation. Since 2000, the annual average unemployment rate in Thayer County has among the lowest within the Nonmetropolitan Region, too.

Labor force projections for the Nonmetropolitan Region and Thayer County suggest that if the labor force participation rate in each area is maintained at its current level, by 2010 both the region and Thayer County will experience a labor shortage. If the population and labor force projections are realized the region and Thayer County may not be able to maintain their current level of economic activity.

The *Officials/Managers* occupational attachment, which includes administrators, supervisors, and farm operators, is the largest occupational group in Thayer County. Within the Nonmetropolitan Region, *Operatives* is the largest occupational group. The distribution of occupations in the nine county Nonmetropolitan Region identifies the area as an industrial region in Nebraska.

Total employment in Thayer County decreased between 2001 and 2003. This is in contrast to its region and the state as a whole. The Employment in the Nonmetropolitan Region increased during this period, recording a rate of growth higher than both the statewide average and the state nonmetropolitan area.

4.3 Labor Force Trends

An examination of labor force trends is presented here in order to identify potential implications for the area job market. The labor force is the sum of the employed persons plus unemployed persons (those without jobs who are actively seeking work).

The labor force is a subset of the working age population of an area. In Thayer County and the Nonmetropolitan Region, the working age population (defined as age 16-plus population) in 2004 was 4,806 and 82,723, respectively. For the region, Figure 4.1 displays the relative size of these groups with that of the total population.

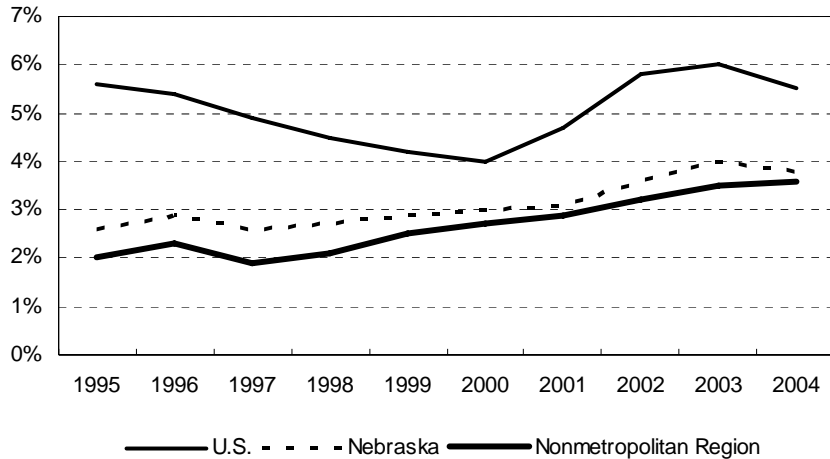
Figure 4.1
Labor Force – Nonmetropolitan Region, 2004

Total Population:		102,866
Working Age Population		82,723
Labor Force		56,209
Employed	53,883	Unemployed 2,023

The unemployment rates for the Nonmetropolitan Region and Nebraska are consistently less than the national unemployment rate. The annual average unemployment rate in Thayer County and the nine county nonmetropolitan region has consistently been below the statewide average.

Figure 4.2

Unemployment Rates, 1995-2004 (Annual Average)



With an unemployment rate of 4.4 percent, Gage County reported the highest unemployment rate within the region in 2004. Between 2000 and 2004, Jefferson and Butler counties recorded the highest unemployment rates (Table 4.1).

Table 4.1
Annual Average Unemployment Rate (Percent)
Nebraska and Nine County Nonmetropolitan Region Counties

	1990	1995	2000	2001	2002	2003	2004
Nebraska	2.2	2.6	3.0	3.1	3.6	4.0	3.8
Nonmetropolitan Region	1.7	2.0	2.7	2.9	3.2	3.5	3.6
Butler County	2.0	2.5	3.2	3.5	4.3	4.5	4.2
Fillmore County	1.1	2.0	2.5	2.8	3.3	3.6	3.6
Gage County	1.8	2.3	3.0	2.7	3.4	4.0	4.4
Jefferson County	1.7	2.4	3.2	4.7	4.5	4.1	4.3
Polk County	1.1	2.0	2.3	2.9	3.3	4.3	3.5
Saline County	1.7	1.5	2.5	2.7	2.7	3.1	3.3
Seward County	2.0	2.2	2.9	3.2	3.3	3.6	2.9
Thayer County	1.0	2.1	2.2	2.6	2.6	2.2	3.2
York County	1.7	1.4	2.0	2.0	2.2	2.7	3.2

Source: Nebraska Department of Labor.

Looking at total labor force participation rates, it is significant to note that in the Nonmetropolitan Region the participation rate has increased by nearly nine percentage points between 1980 and 2000. This is more than double the increase for nation and one fourth more than experienced by Nebraska for this period. Even with this increase the labor force participation rate in the region remains below that of Nebraska and the nation.

The labor force participation rate is the ratio of the civilian labor force participants to the working age (age 16+ years) population. As displayed in Table 4.2, Thayer County's and the region's labor force participation rate is lower than that of Nebraska and the United States. In 2000, Thayer County's participation rate was almost eight percentage points lower than that for the State of Nebraska. Labor force participation rates, however, have increased in Thayer County and each of the other counties in the region since 1980.

Factors that influence labor force participation rates include growth in the general population and the civilian labor force. Other significant factors include the number of individuals past retirement age who continue to work and net migration.

	1980	1990	2000
United States	63.8%	66.5%	67.2%
Nebraska	63.0	67.2	69.1
Nonmetropolitan Region	57.4	62.8	65.8
Butler County	55.0	61.1	67.9
Fillmore County	55.2	59.6	63.9
Gage County	59.8	62.7	66.5
Jefferson County	59.4	62.7	63.5
Polk County	56.0	61.3	64.6
Saline County	57.2	62.9	66.3
Seward County	57.7	68.6	69.0
Thayer County	55.3	59.8	61.3
York County	62.2	64.6	66.2

Sources: Statistical Abstract of the United States, U.S. Bureau of the Census.

The increased rates of labor force participation in the Nonmetropolitan Region and Nebraska, according to the Nebraska Department of Labor, have supported the employment growth (or in the case of declining employment, mitigated declines in employment) in these areas during the periods of slow population growth. One factor contributing to lower labor force participation rates in Thayer County and the region is the larger percentage of older residents compared to Nebraska.

Although labor force participation for women in the region continues to increase, rising from 44.8 percent in 1980 to 59.9 percent in 2000, fewer women participate in the labor force in the Nonmetropolitan Region and Thayer County than in Nebraska as a whole (Table 4.3).

Table 4.3
Civilian Labor Force Participation Rates by Gender (Percent)
Thayer County, Nonmetropolitan Region, Nebraska and U.S.

	1980		1990		2000	
	Male	Female	Male	Female	Male	Female
Nebraska	75.9%	51.1%	74.8%	60.3%	74.8%	63.7%
Nonmetropolitan Region	70.8	44.8	73.7	52.8	71.9	59.9
Butler County	69.4	40.8	86.0	37.5	73.7	62.0
Fillmore County	71.4	40.3	72.8	47.5	73.7	55.1
Gage County	70.9	49.9	70.4	55.9	72.0	61.5
Jefferson County	74.3	45.7	71.9	54.5	71.3	56.3
Polk County	71.7	40.5	72.5	51.0	72.3	57.1
Saline County	68.8	46.6	73.7	53.1	72.0	60.9
Seward County	70.1	45.2	76.8	60.6	74.6	63.2
Thayer County	71.3	40.3	70.2	50.4	65.9	57.0
York County	77.9	48.2	75.0	55.4	74.0	59.1

Sources: U.S. Bureau of the Census.

4.3.1 Labor Force

Examining labor force trends in the Nonmetropolitan Region may provide useful insights into important implications for the job market in the near future.

Labor force data from the Nebraska Department of Labor are presented in Table 4.4. Between 1990 and 2004, the labor force in the Nonmetropolitan Region increased by 10.4 percent, with its peak level recorded in 2003. Although the first years of the decade experienced declines, the most recent years have recorded higher labor force counts. The most current estimate for 2004 records a small decline from 2003, though it remains relatively strong.

Individual counties within the Nonmetropolitan Region record a mixed record since 1990. The size of the labor force in Thayer County peaked in 2000 and has fluctuated through 2004 when it dropped below its 1990 level. Only Fillmore and Thayer counties record a 2004 labor force below that reported in 1990.

Table 4.4
Total Labor Force
Thayer County and Nonmetropolitan Region

	1990	1995	2000	2001	2002	2003	2004
Nebraska	815,318	909,607	943,996	951,125	955,528	976,034	985,340
Nonmetropolitan Region	50,894	55,855	55,906	54,710	54,649	56,735	56,209
Butler County	4,002	4,412	4,443	4,403	4,346	4,499	4,604
Fillmore County	3,372	3,385	3,293	3,206	3,220	3,342	3,282
Gage County	11,327	12,059	12,592	12,644	12,812	13,217	12,693
Jefferson County	4,230	4,281	4,085	3,979	4,002	4,055	4,232
Polk County	2,672	2,643	2,380	2,388	2,393	2,319	2,948
Saline County	6,321	7,254	6,947	7,214	7,457	7,678	8,130
Seward County	8,326	9,599	9,888	9,102	8,871	9,045	9,486
Thayer County	3,131	3,357	3,454	3,284	3,218	3,309	2,925
York County	7,513	8,865	8,824	8,490	8,330	9,271	7,909

Source: Nebraska Department of Labor.

Between 1990 and 2004, the largest gains were reported in Saline, Butler, and Seward counties, 28.6 percent, 15.0 percent, and 13.9 percent, respectively.

4.3.2 Labor Force Projections

If the population projections for the nine county Nonmetropolitan Region are realized (they are based on trends), the working age population will increase by 3.4 percent between 2000 and 2010. The 16-plus population in 2010 is projected to be 83,771. (The 16-plus population was estimated using the 20-plus population plus 80 percent of the 15-19 year-olds, which assumes a linear age distribution within this group.)

If the labor force in the region increases at the slow pace of recent years (only 0.5 percent between 2000 and 2004), it will grow to 56,670 by 2010. However, if the projected growth in the working age population is realized and the year 2000 labor force participation rate of 65.8 percent is maintained, the labor force would be only 55,121. Without an increase in the labor force participation rate, the labor pool in the region will not be sufficient to provide the necessary workers to maintain the current level economic activity.

Thayer County's situation may become even less attractive than that of the region given the projected decrease in its population and its lower labor force participation rate. The largest age cohort in Thayer County, the 25-to-54 year age group, is projected to experience a decrease of 18 percent between 2000 and 2010.

Table 4.5
Population by Age Group
Thayer County and Nonmetropolitan Region

Age Group	1990	2000	% Change 1990 to 2000	2010	% Change 2000 to 2010
0 – 9					
Thayer	878	726	-17.3%	645	-11.2%
Nonmetropolitan Region	14,841	12,905	-13.0%	13,136	1.8%
10 – 14					
Thayer	477	424	-11.1%	369	-13.0%
Nonmetropolitan Region	7,371	7,712	4.6%	6,796	-11.9%
15 – 19					
Thayer	395	432	9.4%	335	-22.5%
Nonmetropolitan Region	7,193	8,602	19.6%	7,374	-14.3%
20 – 24					
Thayer	233	171	-26.6%	216	26.3%
Nonmetropolitan Region	5,315	5,763	8.4%	6,196	7.5%
25 – 54					
Thayer	2,233	2,186	-2.1%	1,792	-18.0%
Nonmetropolitan Region	37,104	39,481	6.4%	39,429	-0.1%
55 – 59					
Thayer	326	323	-0.9%	408	26.3%
Nonmetropolitan Region	4,804	5,018	4.5%	7,484	49.1%
60 – 64					
Thayer	365	307	-15.9%	376	22.5%
Nonmetropolitan Region	5,112	4,504	-11.9%	6,050	34.3%
65 +					
Thayer	1,728	1,486	-14.0%	1,304	-12.2%
Nonmetropolitan Region	20,420	19,373	-5.1%	18,712	-3.4%
Total					
Thayer	6,635	6,055	-8.7%	5,445	-10.1%
Nonmetropolitan Region	102,160	103,358	1.2%	105,52	1.8%

Source: U.S. Bureau of the Census; Bureau of Business Research, UNL, 2002.

4.4 Occupation – Thayer County and Nonmetropolitan Region

To determine the occupations employees hold in different industries and the wages they earn, the federal government and many states survey individuals and employers at intervals to find how employment patterns and wages have changed. Occupation is the kind of work a person does to earn a living.

The most current data for the county level is the decennial census, which at this time are the 2000 Census products. The distribution of employed civilians by occupation in Thayer County is presented below in Figure 4.3. With its large sample size, the 2000 United States Census is a useful source for occupational data. For comparative purposes, the Nonmetropolitan Region and Nebraska distributions are displayed, also.

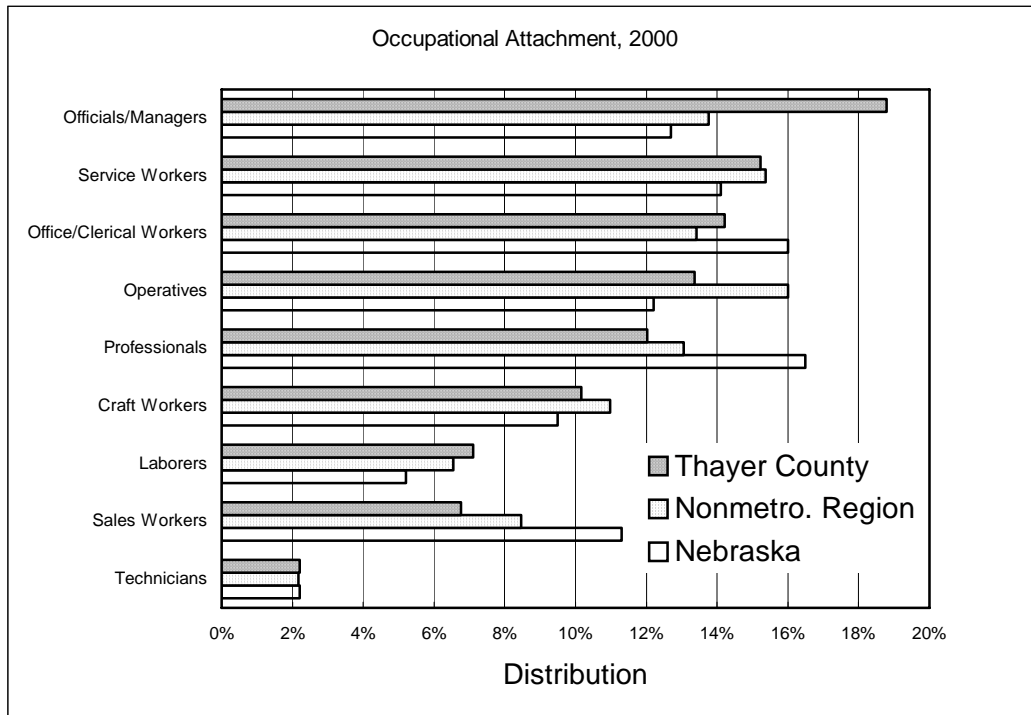
The 2000 distribution of employed civilians by occupation in Thayer County shows that the *Officials/Managers* is the largest occupation group. *Technicians* and *Service Workers* are the smallest occupational group.

The *Officials/Managers* occupational classification, for example, includes officials and administrators, management related occupations, supervisors, and farm operators. *Technician* occupations include associate professionals and technical occupations such as nurses, police officers, graphic designers, lab technicians and draughtpersons.

Some occupational groups are related closely to certain industries. Operators of transportation equipment and healthcare providers account for major portions of their respective industries of transportation and health care. However, the industry categories include people in other occupations. For example, people employed in agriculture include truck drivers and bookkeepers; people employed in the transportation industry include mechanics, freight handlers, and payroll clerks; and people employed in the health care profession include occupations such as janitor, security guard, and secretary.

The Census 2000 classifications were completely revised compared to 1990. Therefore, a comparison of industrial change from the 1990 Census to the 2000 Census is not appropriate. The Census 2000 civilian labor force figures are not comparable to the labor force figures produced by the Nebraska Department of Labor or U.S. Bureau of the Labor due to methodological differences, including data collection and reference periods.

Figure 4.3



Occupational distribution for both Thayer County and the Nebraska are similar except for the *Officials/Managers*, *Professionals*, and *Sales Workers* categories. In Nebraska, these occupations represent 12.7 percent, 16.5 percent, and 11.3 percent, respectively, of total employment compared to 18.8 percent, 12.0 percent, and 6.8 percent, respectively, for Thayer County.

Inspection of the figure also shows that the Nonmetropolitan Region has comparable levels of employment in most occupations. The occupations of *Officials/Managers* and *Operatives* have the largest differences. Manufacturing jobs represent a larger proportion of jobs in the region than in Thayer County. And the occupation of *Officials/Managers* (which includes farm operators) captures the larger proportion of farm operators in Thayer County relative to that in the region and state.

This distribution of occupations continues to identify the nine county Nonmetropolitan Region, and to a lesser extent Thayer County, as an industrial region in Nebraska. As reported in the Target Industry Study, a research report completed for the State of Nebraska by Deloitte & Touche Fantus in December 2000, the economy of eastern Nebraska can be classified as the industrial region of the state with existing infrastructure and skills to support an industrial base.

4.5 Employment

Employment in Thayer County has decreased in recent years, recording a -1.2 percent loss between 2001 and 2003. This is in contrast to its region and the state as a whole. The Nonmetropolitan Region has grown faster than the state nonmetropolitan and statewide average in Nebraska. Between 2001 and 2003, employment in the Nonmetropolitan Region increased by 517 jobs or 0.8 percent. This growth was not spread evenly across the constituent counties nor among all industries. Employment gains in nonmetropolitan Nebraska were 0.3 percent for the period; for the State of Nebraska the gains were 0.2 percent. (Table 4.6)

Table 4.6
Total Full-time and Part-time Employment

Industry 2001	Thayer County	Nonmetropolitan Region	Nonmetropolitan Nebraska	Nebraska
Total Employment	3,808	62,866	485,619	1,182,375
Wage and salary employment	2,642	45,703	356,748	959,958
Proprietors employment	1,166	17,163	137,871	222,417
Farm proprietors employment	541	6,412	42,739	48,954
Nonfarm proprietors employment	625	10,751	85,132	173,463
Farm employment	691	7,632	55,015	62,362
Nonfarm employment	3,117	55,234	430,604	1,120,013
Private employment	2,412	45,962	358,377	955,853
Government & government enterprises	705	9,172	72,227	164,160
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Industry 2003	Thayer County	Nonmetropolitan Region	Nonmetropolitan Nebraska	Nebraska
Total Employment	3,762	63,383	487,225	1,184,678
Wage and salary employment	2,560	45,577	354,291	951,962
Proprietors employment	1,202	17,806	132,934	232,716
Farm proprietors employment	534	6,315	42,115	48,236
Nonfarm proprietors employment	668	11,491	90,819	184,480
Farm employment	666	7,392	52,962	60,084
Nonfarm employment	3,096	55,991	434,263	1,124,594
Private employment	2,405	46,768	362,047	957,872
Government & government enterprises	691	9,223	73,216	166,722

Source: U.S. Economic Development Administration (REIS 2005).

All but one of the eleven industry groups in Thayer County (based on the NAICS Super Sectors) recorded declines in employment over the 2001 to 2003 period. The largest declines were experienced in the *Leisure & Hospitality* and *Other Services* sectors. Only the *Construction* sector reported a gain in employment. Due to confidentiality requirements the employment levels in the *Information, Professional & Business Services* and *Education & Health Services* sectors are suppressed.

The economy of the Nonmetropolitan Region has performed as well or better than that of Thayer County. Five industry sectors reported declines in employment while six sectors reported gains. The region recorded gains in *Professional & businesses services*. In fact, this sector recorded the largest gain relative to all other sectors (44.0 percent). The *Natural Resources & Mining* sector reported the largest decline (10.0 percent).

Total employment reported here in Table 4.7 differs from that reported in Table 4.6 because of the differing administrative sources used to develop each data set. The data reported in Table 4.7 are drawn from employment covered by unemployment insurance; proprietorships are not included here. Alternatively, data reported in Table 4.6 are estimates of all full-time and part-time employment, even those jobs not covered by unemployment insurance. The purposes of presenting both sets of data are to mine the differing data sets for information which is reported in different ways. Here in Table 4.7, we are able to utilize the data to explore employment in detail by industrial sector.

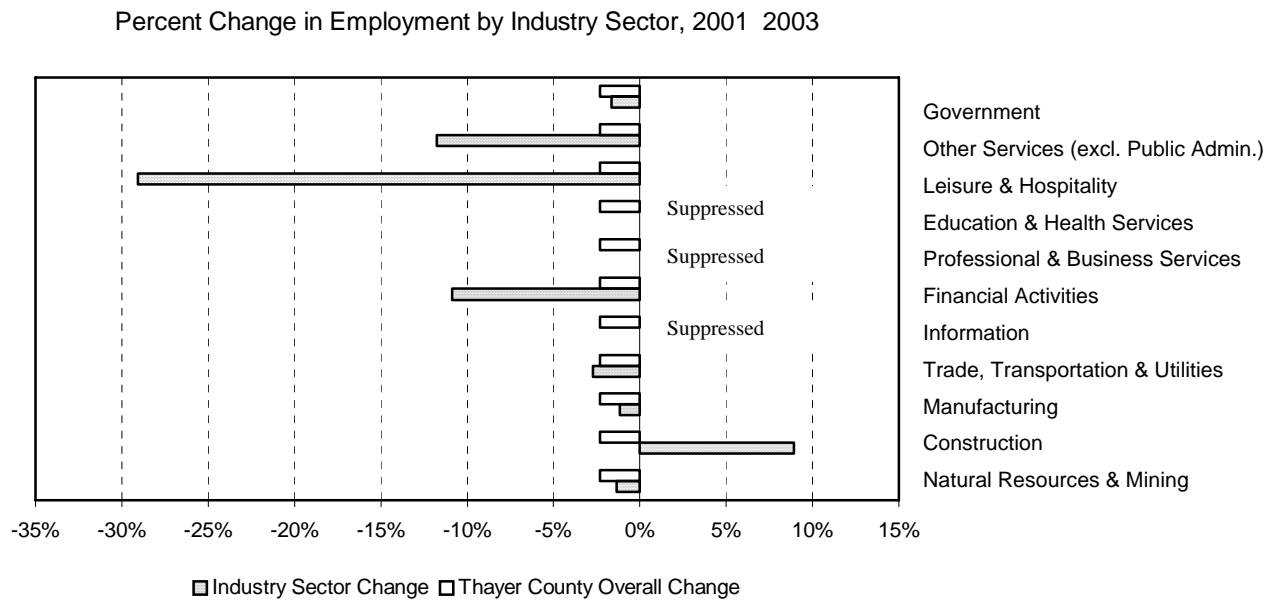
Table 4.7
Employment of Workers by NAICS Super Sector
Thayer County and Nonmetropolitan Region

NAICS Super Sector	2001		2003		Thayer County Percent Change 2001 to 2003
	Thayer County	Nonmetropolitan Region	Thayer County	Nonmetropolitan Region	
Total Employment	2,364	41,863	2,310	41,785	-2.3%
Natural Resources & Mining	74	1,089	73	980	-1.4%
Construction	56	1,606	61	1,629	8.9%
Manufacturing	524	8,689	518	8,260	-1.1%
Trade, Transportation & Utilities	479	8,569	466	8,511	-2.7%
Information	(Suppressed)	354	31	406	--
Financial Activities	147	1,565	131	1,620	-10.9%
Professional & Business Services	27	1,171	(Suppressed)	1,686	--
Education & Health Services	(Suppressed)	4,840	(Suppressed)	5,232	--
Leisure & Hospitality	117	3,050	83	2,997	-29.1%
Other Services	51	1,017	45	1,344	-11.8%
Government	672	8,765	661	8,724	-1.6%

Source: Nebraska Department of Labor.

The overall growth for each industry sector in Thayer County has varied considerably. Figure 4.4 displays the percentage change for each group between 2001 and 2003. For reference purposes, the overall, total growth for all industry groups is included beside each individual group.

Figure 4.4

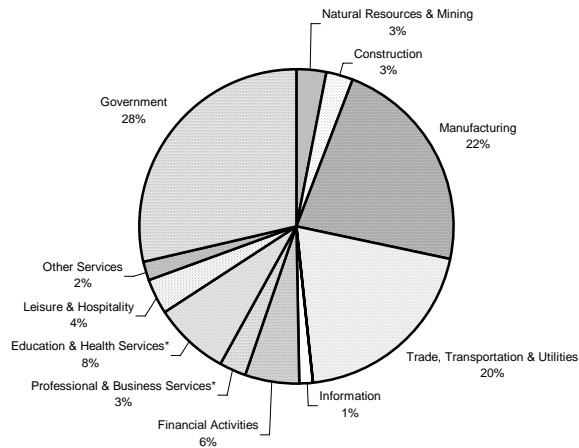


Labor force and employment statistics for Thayer County and the Nonmetropolitan Region are presented above to provide an assessment of current conditions and trends. Industry and occupation data from the census and from administrative records can be used to track labor force trends in the economy. Industry and occupation data can also provide profiles of new and emerging industries and occupations, such as those related to the software development and advanced telecommunication services. Unfortunately, the available data does not permit a detailed look at these industries in Thayer County due to data suppression by the source administrative agencies. It is apparent, however, that Thayer County economic activity is primarily in the traditional economy, the manufacturing sector in particular.

The three largest industries in Thayer County as measured by the number of workers they employ were *Government; Manufacturing, and Trade, Transportation & Utilities*. The smallest industries were the *Professional & Business Services* and *Information* sectors.

Figure 4.5

Distribution of Workers by Industry - Thayer County 2003



Distribution of Workers by Industry - Nonmetropolitan Region 2003

