

Mississippi County, Arkansas
Workforce Analysis
Executive Summary

June 2010





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Overview

The Mississippi County area has faced economic challenges for many years, but has also seen success in key sectors including steel and aviation/aerospace. Mississippi County and the county's economic development office engaged Boyette Strategic Advisors to provide an analysis of the area's workforce to document the quality and quantity of the region's workforce. The objectives of the study were to:

- Identify Mississippi County's current labor shed and recommend the counties to include as part of the region's demographic and workforce overview.
- Identify and quantify labor availability throughout the labor shed, including both unemployed and underemployed workers.
- Understand the skill sets of the existing workforce, particularly as they relate to potential industry categories that are targeted by the region.
- Develop data to share with business prospects in the identified key industry sectors.
- Explore issues related to unemployment and underemployment with employees through telephone survey.
- Determine existing employers' perceptions of the workforce through interviews and an online survey.

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Methodology

Data from several sources was gathered and used throughout the analysis to ensure that a variety of perspectives on issues were taken into consideration. The primary sources of data were:

Secondary Data – Boyette Strategic Advisors gathered and reviewed data from secondary sources (U.S. Bureau of Census, U.S. Bureau of Labor Statistics, Arkansas Department of Education, Arkansas Department of Higher Education, National Center for Education Statistics, Internal Revenue Service and UALR Institute for Economic Advancement). This information provided the baseline, upon which the primary research was analyzed.

Stakeholder Interviews – A cross-section of 30 community stakeholders, including major employers in the area, were interviewed to determine current labor market satisfaction, trends, opportunities and challenges. A facilitated discussion was also conducted with elementary/secondary and post-secondary educators in the area to gain a better understanding of educational challenges and opportunities, as well as workforce training offerings available in the area.

Employer Online Survey – Employers were surveyed online to further gauge employer satisfaction and opinions on issues affecting the Mississippi County workforce. The instrument contained 34 questions and was sent to employers throughout the area. The answers to each of these questions were analyzed to determine whether it represented a strength, weakness, opportunity or challenge to the Mississippi County labor market.

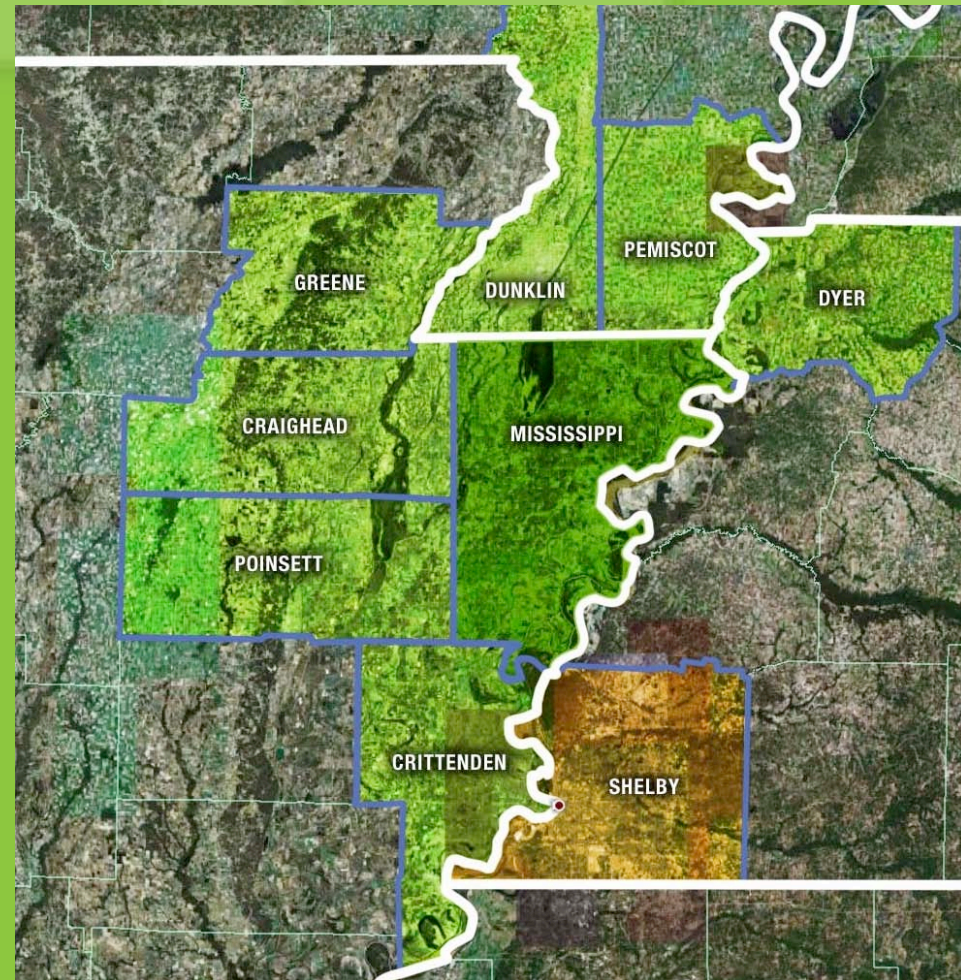
Resident Telephone Survey – In April, Karen Flake Associates surveyed a random sample of 606 residents from the eight counties in three states that make up the Mississippi County “labor shed.” Survey participants were randomly selected from the eight counties in proportion to the population of those counties. Respondents were screened to confirm that they were between the ages of 18 and 65 or, if over 65, were either currently working or interested in returning to the workforce. While all respondents lived within the eight-county labor shed area, some may work outside the county in which they reside, including a county that is not within the labor shed.

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Labor Market Overview

Labor Shed Defined

- Mississippi County draws labor and talent from three states. A typical company can expect to draw hourly workers from an eight- county region. In addition, managerial and highly skilled talent is sometimes recruited from nearby Memphis.
- **Primary Labor Market:**
 - Arkansas – Mississippi, Crittenden, Craighead, Greene, Poinsett
 - Missouri – Dunklin, Pemiscot
 - Tennessee – Dyer
- **Secondary Labor Market:**
 - Tennessee – Shelby County (Memphis)



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Labor Market Overview

Population Growth

- Stable and steady growth

Population Growth		
2000	338,419	
2009	348,083	2.9%
2014	359,118	3.2%

Source: *Tactician*

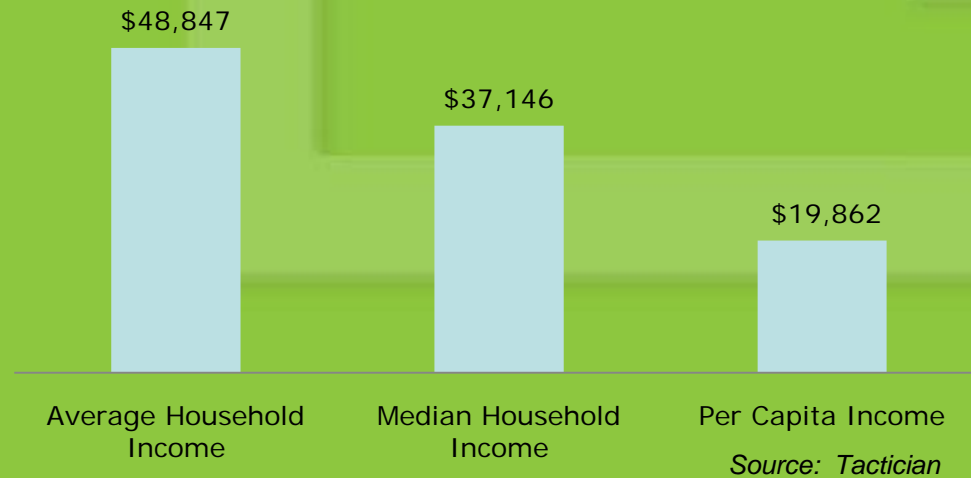
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Labor Market Overview

Income Levels

- The Mississippi County labor market is below both the national and Arkansas state averages in all income measures.
- The U.S. median household income is \$68,953, while Arkansas' median household income is \$51,809.
- Median income for the U.S. is \$52,599, while Arkansas' is \$40,474.
- Per capita income is also lower in the labor market.

Regional Average



Source: *Tactician*

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Workforce Availability

Mississippi County, Arkansas, is located along Interstate 55 between Memphis and St. Louis in a predominately rural, agricultural area of the state. In addition to interstate access, the county also have river access and rail service. While the 2009 population of Mississippi County is 45,992, its employers draw workers from a eight-county population base of 348,083. While the county's population is showing signs of decline, the labor shed area is growing at a steady rate— 2.9 percent from 2000 to 2009 and a projected 3.2 percent from 2009 to 2014.

The county's interstate location and accessibility in northeastern Arkansas, combined with its rural heritage, allow employers to attract a workforce from a broad area that provides diverse skill sets for existing and potential employers.

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Workforce Availability

Labor Shed

Through an analysis of all the data examined in this report, it was determined that Mississippi County consistently draws its workforce from an eight-county area that includes Mississippi, Craighead, Crittenden, Greene and Poinsett counties in Arkansas; Dunklin and Pemiscot counties in Missouri; and Dyer county in Tennessee. Although there may be commuters traveling even further distances into Mississippi County for employment, the numbers were not significant enough to include them inside the regional labor market. However, for specific major projects with high wages, workers might commute from Shelby County, Tennessee, which has been identified as a secondary labor shed. Characteristics of Shelby County are addressed in a separate section of this report. Key elements of the primary labor shed are:

- **Total Population – 348,083** (2009 estimate)

Mississippi – 45,992	Poinsett – 24,464
Craighead – 97,411	Dunklin – 31,138
Crittenden – 52,273	Pemiscot – 18,442
Greene – 40,892	Dyer – 37,471

- The total population age 16 and over, which would be considered of working age, in the eight-county area is 273,492. Of those, a total of 147,908 were employed according to 2009 Census estimates.

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Workforce Availability

Commuting

- Regional population willing to drive 30 minutes or more for meaningful employment.
- Significant number of skilled workers currently driving from Mississippi County to outside job centers and should be considered potential hires.

Travel Time to Work		
	Jonesboro MSA	Mississippi County Labor Shed
Less than 10 minutes	11,484	28,420
10 to 19 minutes	22,161	51,478
20 to 29 minutes	8,488	22,544
30 to 39 minutes	4,298	18,034
40 to 59 minutes	2,110	5,767
60 or more minutes	1,903	4,704

Jonesboro MSA : Craighead & Poinsett Counties

Source: U.S. Census American Community Survey, 2006-2008

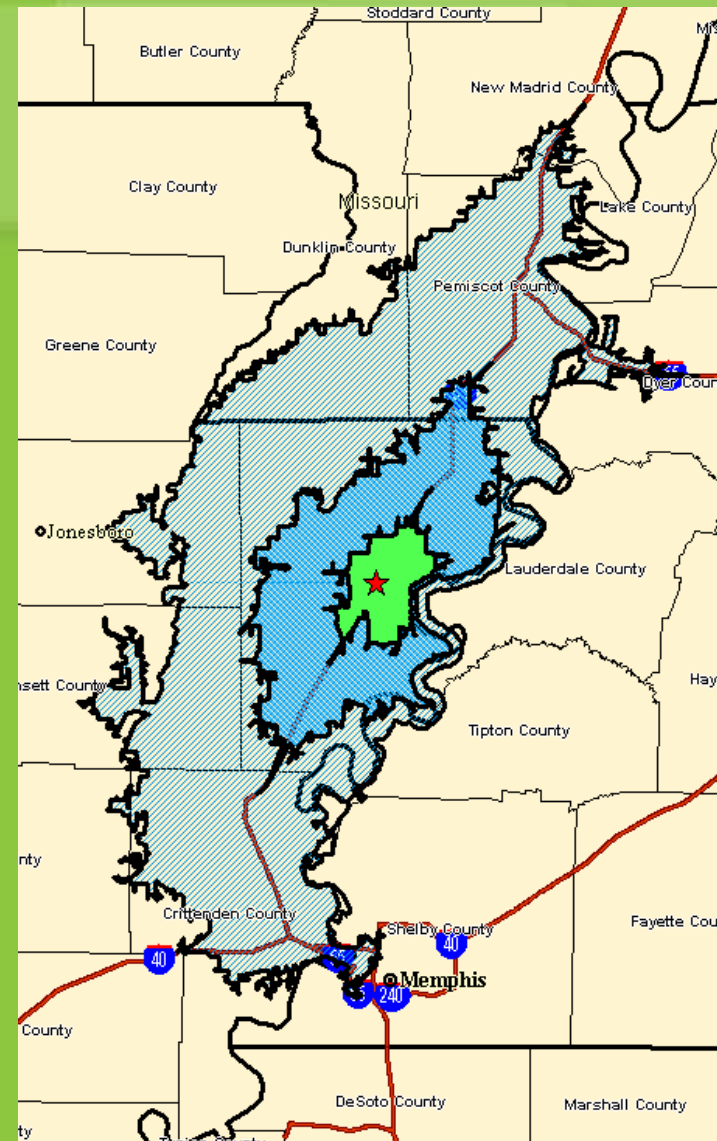
Note: Pemiscot County is not included in this data, because its population is not large enough to be part of the American Community Survey three-year estimates.

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Workforce Availability

Drive Time Radii from Center of Mississippi County:

- 15 minutes
- 30 minutes
- 60 minutes



Source: Decision Data Resources

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Workforce Availability

Unemployment

The highest rates of unemployment are found in Mississippi County, AR - 11.7%, Crittenden County, AR - 12.7% and Dyer County, TN – 12.4%. All of these are well above the state average of 7.7%.

Lower unemployment rates are found in the perimeter of the regional labor shed, with Craighead County reporting the lowest rate at 6.8%.

Memphis and Shelby County also are experiencing high unemployment rates, which makes it a more viable part of labor shed.

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Workforce Availability

Recruitment

Recruiting management and professional staff to rural communities like Mississippi County is frequently a challenge. This difficulty is most often driven by the myths and perceptions associated with “small town” America. Although the quality of life offered in Mississippi County does not meet everyone’s criteria, it does provide the lifestyle many are seeking. Several employers who were interviewed and surveyed responded that it is very difficult to recruit professionals to the area. Currently, many management employees in the county live outside the area and commute from larger communities such as Jonesboro or Memphis.

Employers cited an overall lack of amenities such as retail, restaurants and entertainment as a major deterrent to recruiting, along with the perception that the public schools in the county are below par. Other employers said that it is difficult to find people locally who have the skills they need for management and technical positions, which requires a greater than normal need for recruitment from outside the area.

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Workforce Quality

Like many areas, Mississippi County has many tangible and intangible factors that determine the quality of the region and its workforce. In fact, a combination of factors in the area result in an economically diverse community where values are shared across labor and management.

Contributing to this workforce climate are:

- Age of the population;
- A strong work ethic among seasoned employees;
- Competitive costs for hourly and salaried workers;
- A growing population; and
- A positive labor-management atmosphere.

Mississippi County is strategically located in the center of an eight-county region that contributes to its labor market. The labor shed offers diverse skills sets and employment opportunities beyond manufacturing and agriculture, with the largest sector being manufacturing. Almost one quarter of the region's workforce is employed in manufacturing, with healthcare, education, trade, transportation and utilities also well represented.

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Workforce Quality

Relevant Industry Sectors	Regional Average
Administrative and support and waste management services	2.06%
Agriculture forestry fishing and hunting	1.88%
Construction	3.50%
Educational services/Health care and social assistance	22.22%
Finance, insurance and real estate	3.82%
Leisure and hospitality	8.20%
Manufacturing	21.53%
Professional scientific and technical services	8.09%
Public administration	4.69%
Trade, transportation and utilities	19.65%
Other	3.08%

Source: U.S. Census Covered Employment and Earnings, 2008

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Workforce Quality

Workforce Age

The median age of the labor shed population is below both the Arkansas and U.S. averages, which indicates a younger, more vibrant workforce. Mississippi, Craighead and Crittenden counties all have younger populations, which contribute to the relatively young age of the labor shed. The Craighead County median age of 34.5 and Crittenden County at 34.3 are likely the result of being larger, more populous communities, in addition to the presence of Arkansas State University in Jonesboro.

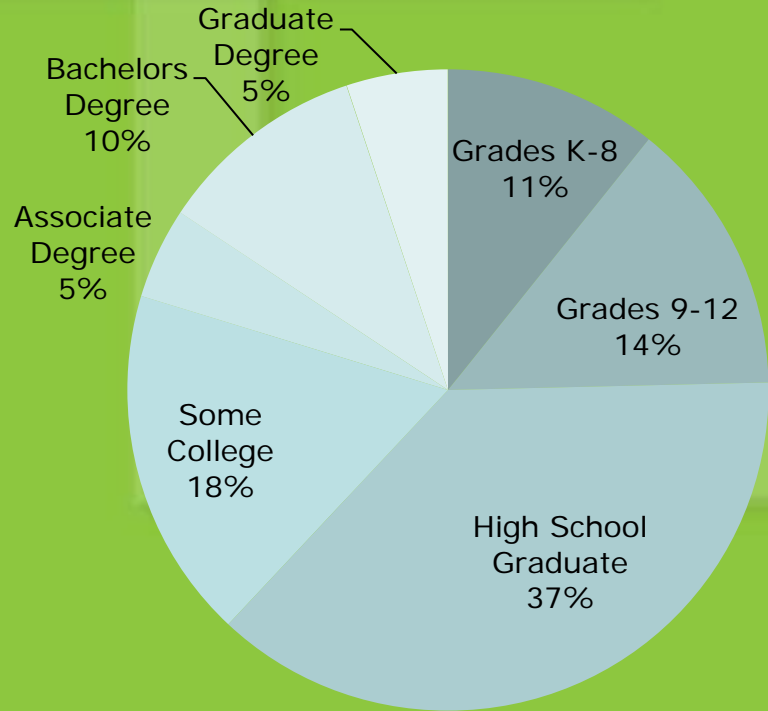
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Workforce Quality

Educational Attainment

An educated and trainable workforce is the combined result of quality public school systems and access to nearby colleges and universities. Of the population over age 25, 38 percent have either attended or graduated from college. This translates to a pool of 85,270 who have attended or completed college in the labor shed.

- 83,845 High School Graduates
- 10,297 Associate Degree
- 23,698 Bachelor Degree
- 11,475 Graduate Degree
- 39,800 Some College



Total Population of 2214,341; Age 25+

Source: Tactician

Executive Summary

Workforce Quality

Elementary and Secondary Education

Mississippi County is home to five public school districts: Blytheville, Osceola, South Mississippi County, Gosnell and Armorel. The Blytheville district is the largest with an enrollment of more than 3,000 students. Armorel is the smallest district in the county, with an enrollment of approximately 450 students. The other three districts all report enrollments of more than 1,000 students.

The Armorel district has the highest graduation rate in the county at 91.8 percent, while Gosnell and South Mississippi County have rates above the state average. The Blytheville and Osceola school districts report graduation rates that are slightly below the state average of 71 percent. Similarly, based on graduation rates, Armorel, Gosnell and South Mississippi County have dropout rates below the state average, while Blytheville and Osceola's dropout rates exceed the Arkansas average.

Expenditures per pupil are above the state average in all districts in the county except Gosnell, with both Osceola and Armorel reporting expenditures per pupil of almost \$2,000 above the state average. However, millage rates in all five districts are below the state average of 36.27 mills. Likewise, teacher salary levels are also below the state average in all districts in Mississippi County.

In looking at student achievement, the Armorel district reports a composite ACT test score above the state average, while the other four districts are all below the Arkansas average. All five districts offer Advanced Placement courses, but only a small number of students are enrolled in these courses.

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Workforce Quality

Higher Education

Recent high school graduates and adults considering returning to college have a variety of options available either in or near Mississippi County.

Arkansas Northeastern College, located in Blytheville, is a two-year college that offers a traditional college education transferable to a four-year college or university; job-entry training and occupational preparation programs as well as technical programs. In addition to the main campus in Blytheville, ANC also has campuses and/or facilities in Burdette, Leachville, Osceola and Paragould (Greene County). An additional 2,500 students are served each semester through the College's non-credit and adult education programs. ANC has an enrollment of more than 1,800 students and awards approximately 400 degrees and certificates each year. The college offers associate degrees, as well as certificates of proficiency and technical certificates.

Arkansas Northeastern College's Technical Center is a workforce education center that offers both high school and college credit in technical programs to high school students in Mississippi County. The Center's curriculum serves as an extension of high school curricular offerings by providing students with hands-on training in the technical fields. Customized business and industry training is offered through The Solutions Group at ANC. Programs are customized specifically for the client company to meet content and class scheduling issues. While a division of ANC, The Solutions Group operates as a fee-based customized provider. This uniqueness of the program, along with the ability to attract and retain instructors with industry credentials, makes The Solutions Group a national leader in exemplary practices. The ANC STEM Academy provides enrichment and program acceleration opportunities to outstanding high school students who have demonstrated the ability to do satisfactory college level work while still enrolled at their local high schools.

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Workforce Quality

Arkansas State University is a four-year institution located in Jonesboro, which is 88 miles from Blytheville. ASU has an enrollment of more than 11,000 students in 168 undergraduate and graduate degree programs. ASU is home to the Arkansas Biosciences Institute (ABI), which encompasses collaborative research efforts of five institutions through agricultural and medical research in order to improve the health of Arkansans. The ABI was created as the major research component of the Tobacco Settlement Proceeds Act of 2000. Institute scientists focus on agriculture and basic and clinical science research that will lead to health improvement, especially in the area of tobacco-related diseases. Other primary areas of research include Delta Heritage, Delta Economic Development, Health Disparities, and Sustainable Resources.

Mid-South Community College is a public two-year institution of higher education with an open-door admission policy, located in West Memphis, which is 60 miles from Blytheville. The College is committed to economic development in the Arkansas Delta through the provision of high quality, affordable, and convenient learning opportunities and services consistent with identified student, community, and regional needs. Associate of applied science degrees, technical certificates, and certificates of proficiency are all designed to prepare students to enter the workforce upon completion. MSCC technical courses are based on industry-driven curricula, so when students complete a course of study at MSCC, they will understand what will be expected in the workforce. In addition to traditional academic programs, areas of emphasis for the 2009-2010 academic year include renewable energy, transportation, and healthcare.

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Workforce Quality

Workforce Training

Workforce training is available through a variety of providers across the region, ensuring a highly skilled workforce with ample opportunities for continued training and skill development.

- Arkansas Northeastern College (ANC), located in Blytheville, offers Associate Degrees, Technical Certificates and Certificates of Proficiency in a wide variety of program areas.
- The ANC Solutions Group offers customized job training programs for area employers through a Regional Skills Learning Center and E-Learning. This program has received the National Bellwether Award for innovative community college programs.
- Mid-South Community College, located in Crittenden County, is home to a \$7.5 million Workforce Technology Center that provides high-tech multimedia classrooms, computer upgrade and repair stations, manufacturing training classrooms and shop, and Diesel Maintenance Technology work spaces.
- The Mid-South Training Council is a business and industry training consortium created to provide incumbent worker training and improve overall workforce quality. It uses Mid-South Community College as its primary educational provider.

Employers in the region access a variety of outside training opportunities, in addition to providing in-house training to both new employees and existing workers who are upgrading their skills. Several of those interviewed said that the Solutions Group at Arkansas Northeastern College (ANC) is one of the area's greatest assets. In terms of specific training needs, many employers who responded to the survey see a need for additional soft skills training, specifically in the areas of communications and teamwork. The online survey results indicate that employers are generally satisfied with the quality of training programs offered in the region, particularly those provided by ANC and the Solutions Group.

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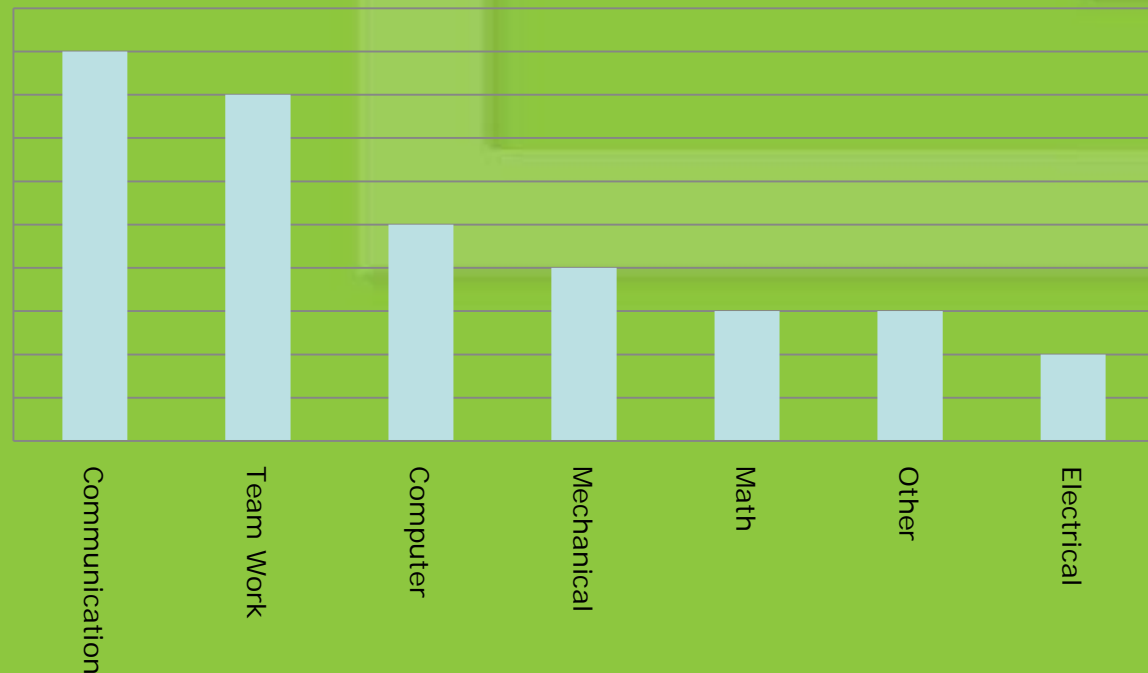
Workforce Quality

Workforce Training

Employers surveyed expressed a need for additional training opportunities in communications, followed by teamwork.

Other training areas of interest among employers included computer and math skills, along with mechanical training. While math skills might best be addressed in the elementary and secondary schools in the area, the communications, mechanical, computer and teamwork training could be addressed by a workforce training provider.

Are there any specific types of training programs you would like to see provided in the community that are not now being adequately addressed? (Please mark all that apply.)



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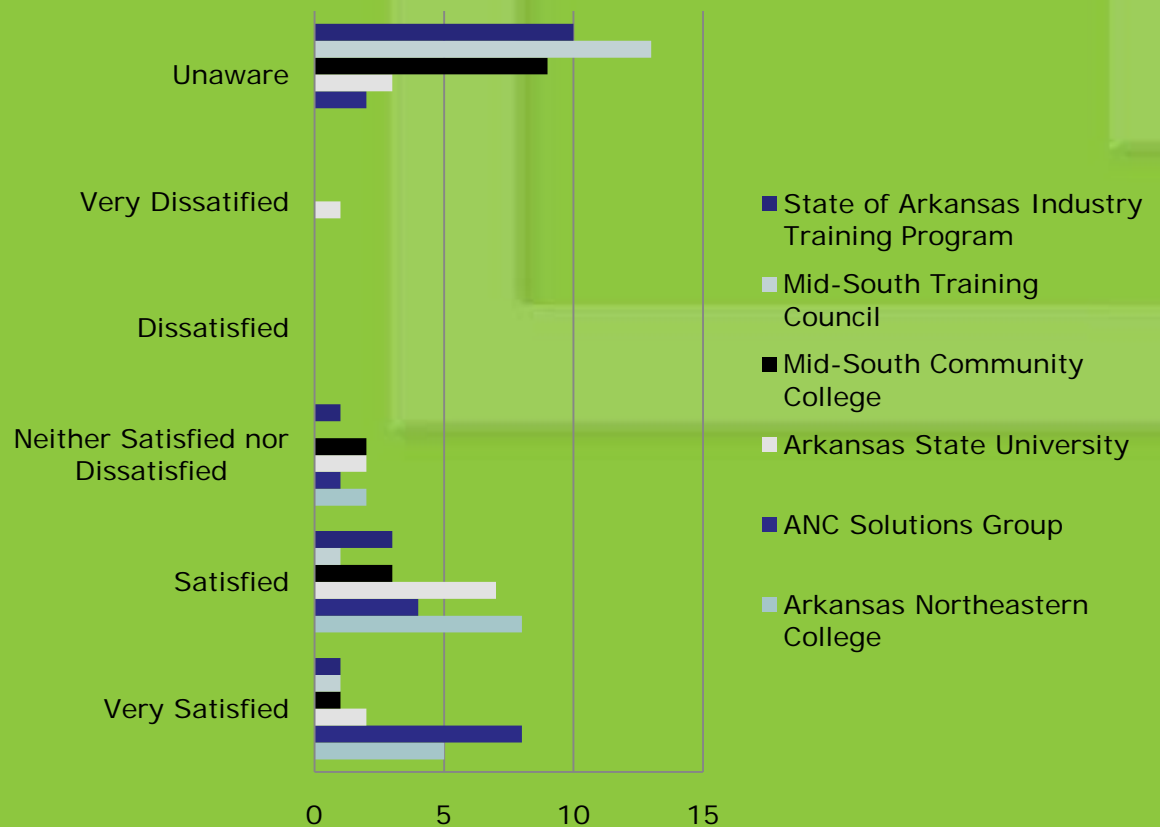
Workforce Quality

Workforce Training

In considering education/training providers, employers expressed the highest satisfaction with Arkansas Northeastern College and specifically, the Solutions Group at the college. Sixty percent of survey respondents were also pleased with the training provided by Arkansas State University.

Approximately two-thirds of employers were unaware of training opportunities provided by the State of Arkansas Industry Training Program. And an overwhelming 86 percent were unaware of the Mid-south Training Council.

How would you rate the current workforce training providers?



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Workforce Quality

Labor Costs

- Wages for all sectors are more than 30 percent less in the labor area than for the nation as a whole

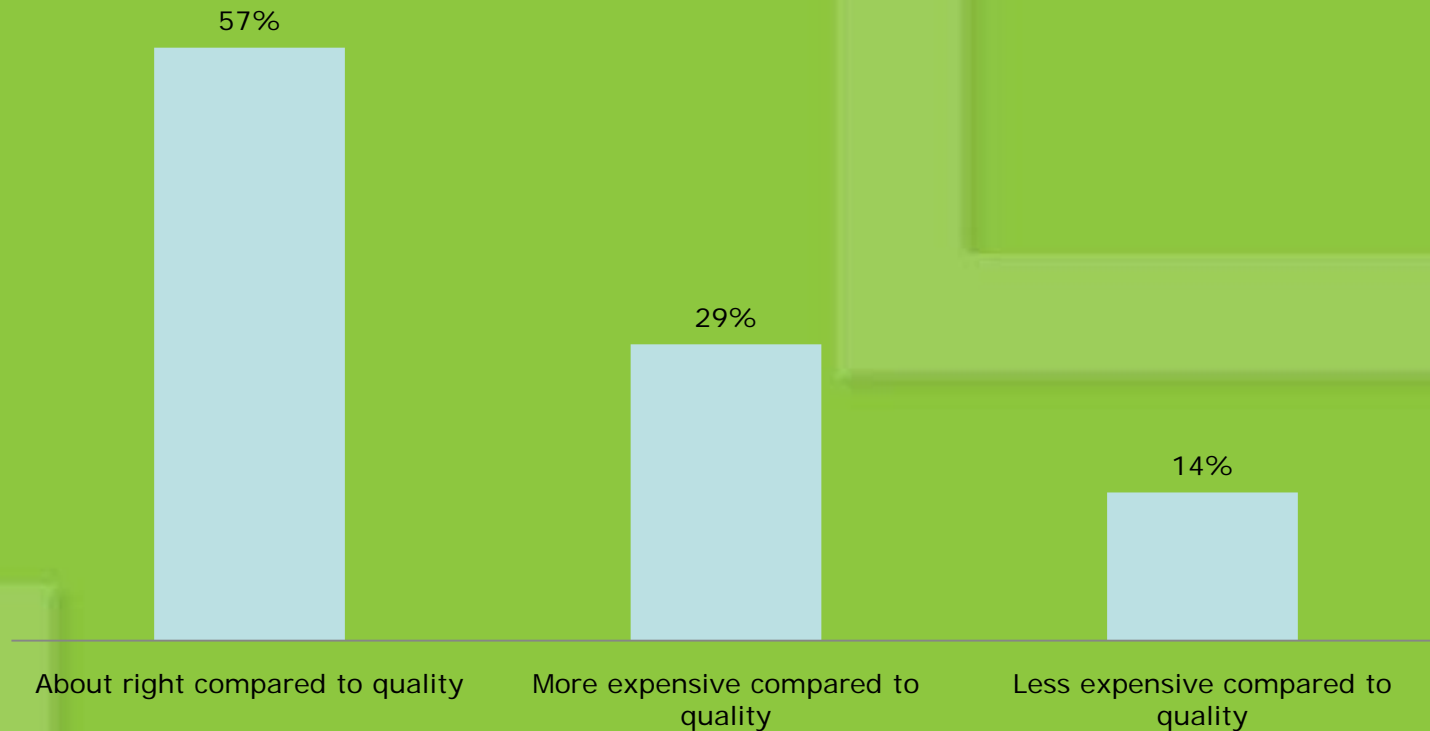
Average Annual Wages All Sectors			
	U.S.	Arkansas	Labor Market
2006	\$42,120	\$32,396	\$28,035
2007	\$44,044	\$34,112	\$29,328
2008	\$45,563	\$34,9186	\$31,030

Source: Bureau of Labor Statistics

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Labor Costs

Do you feel cost of labor is in line with quality?



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Findings

- The Primary Labor Market for Mississippi County has a population of 344,715. Including Shelby County, Tennessee, would make it a total population of 1,256,018.
- Even though the steel industry is predominant in Mississippi County, the regional economy is strong and diverse.
- Labor costs for all sectors and, specifically for manufacturing, are very competitive.
- 9.6% unemployment for the labor shed
 - Recent industry-specific layoffs
- Strong manufacturing base
 - 21.5% in the labor market vs. 9.79% U.S. average
- Because of the agricultural history of the region and its rural character, work ethic is strong for diverse employment sectors.
- The steel industry cluster has grown at a rapid pace since the first facility began production in 1988.
- Layoffs in the steel industry and unemployment present opportunities for a highly skilled workforce.
- Diverse and customizable training programs are available to meet skill gaps and upgrade skills.
- Memphis and Shelby County provide access to a strong pool of professional services and skill sets.

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Recommendations

Overall, the Mississippi County workforce is meeting the needs of current employers in the region. The work ethic among seasoned employees is strong, as are the ties to the community and the traditional values that result in healthy and productive employer-employee relationships. Today's workers face increasing skill demands and must be willing to upgrade their skills to keep pace with new technology, regardless of their chosen field of work. Entry-level workers are at particular risk in today's economy as greater skill levels are required for them in most every industry, while at the same time there is a greater supply of trained workers as a result of higher unemployment rates.

Recommendations to address specific challenges and areas of opportunity for Mississippi County's workforce follow.

Motivation of Workforce

- Promote the ideas of life-long learning as part of the curriculum of all programs from high school on and through marketing and public relations efforts that are tied to any of the education and training programs that result from this report.

Entry Level Work Ethic Culture

- Formalize a working group or consortium that links businesses with high schools and middle schools to develop curricula and programs that instill workplace readiness skills in all high school graduates and provide higher level understanding for teachers, administrators and students about the expectations and requirement of the workplace.
- Develop a Skills for Success Program to allow the business community to show middle and high school students what jobs are available locally and the skills needed for those jobs.
- Develop a program of additional skills beyond a high school diploma needed by students not furthering their education beyond high school before entering the workplace.

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Recommendations

- Develop a mentoring program for younger workers. While the mentoring program could certainly include components related to specific job responsibilities, it should be focused on the soft skills that sometimes appear to be lacking in this segment of the workforce.

Basic Literacy

- Work with educators and social service organizations to enhance and promote literacy program offerings in the county. In addition to overall efforts to increase literacy within the community, develop a new program that combines basic literacy and/or GED programs with specific job training opportunities to increase participation and provide for a more skilled workforce.

Educational Pride

- Identify success stories at all levels of public education in the county and promote those success stories both to area residents and to a broader business community outside the county.