

Site Selection Methodology: Using On the Map

Presented to New Mexico IDEA

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By

JBA & Associates

Site Selection: Post Analysis

- * Anyplace, TX: pop. 8,000, approx. 35 miles from Waco and Southern portion of Dallas metroplex.
- * Location put them in the running for 500 employee plant (combination manufacturing and warehousing)
- * Site selection firm asked to do short labor analysis on viability.

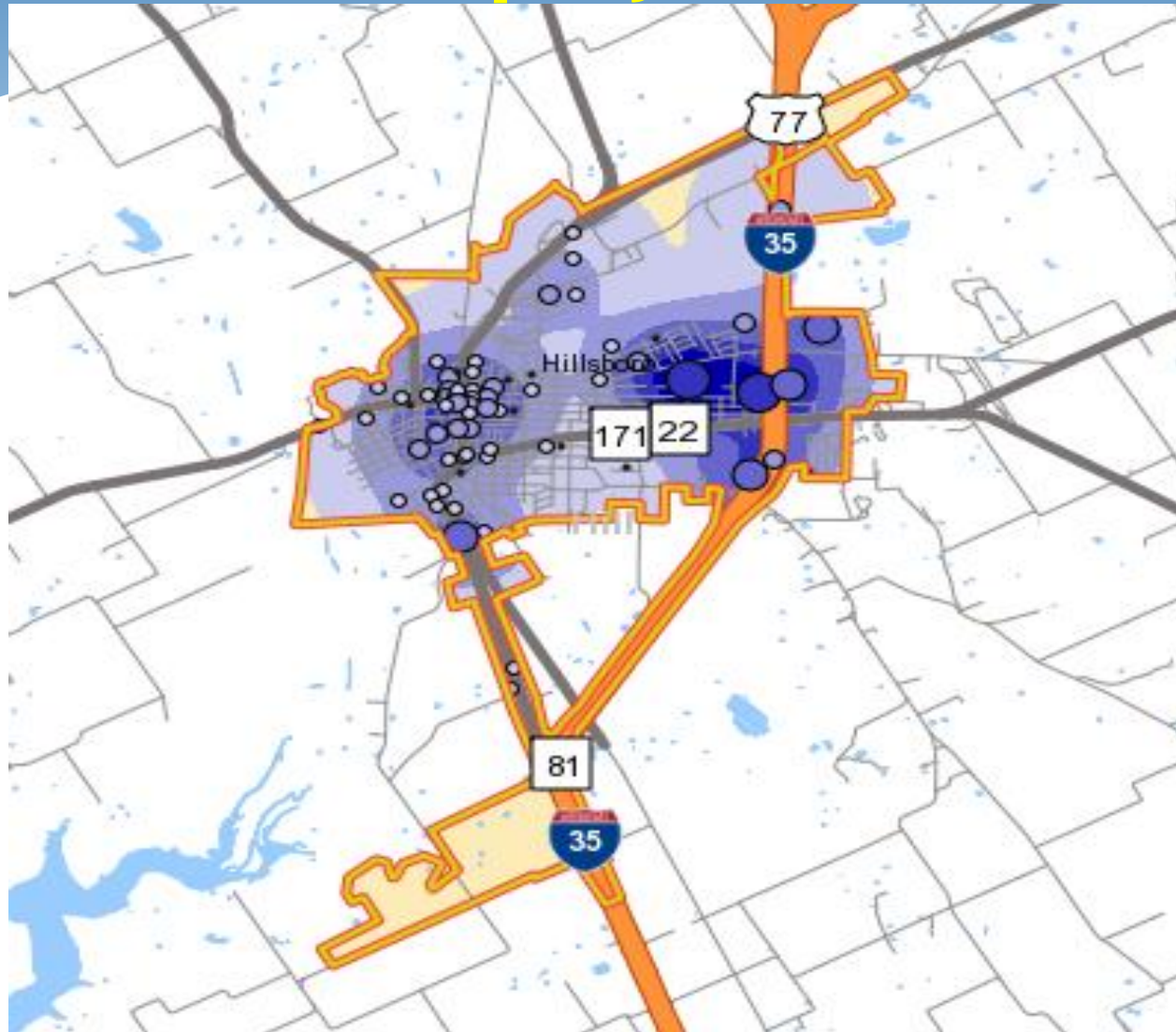
What is Site Selection?

- * Process of choosing the optimal location for a business based on accessibility to and availability of customers as well as considerations as to:
 - * space costs, size, and other physical characteristics, zoning regulations,
 - * investment tax credits,
 - * and the quality of the available workforce.

Methodology

- * Site selectors asked to see if they could prove that the firm could attract 500 employees; not given the specifications on the types of jobs.
- * Methodology used will be to visit community, talk with employers and find about labor availability, characteristics, and training capacity.
- * Field work to take three days and report to be completed in 10 business days.

Where Employees Work in Anyplace



- 5 - 133 Jobs/Sq.Mile
- 134 - 518 Jobs/Sq.Mile
- 519 - 1,159 Jobs/Sq.Mile
- 1,160 - 2,057 Jobs/Sq.Mile
- 2,058 - 3,211 Jobs/Sq.Mile

Where Employees Work that Live in Anyplace



- 5 - 97 Jobs/Sq.Mile
- 98 - 373 Jobs/Sq.Mile
- 374 - 833 Jobs/Sq.Mile
- 834 - 1,477 Jobs/Sq.Mile
- 1,478 - 2,305 Jobs/Sq.Mile

Work Destination Report - Where Workers are Employed Who Live in the Selection Area: 2009

- * **Anyplace city, TX: (1,347): 25.1%**
- * **Waco city, TX (399): 7.4%**
- * **Dallas city, TX (359): 6.7%**
- * **Fort Worth city, TX (275): 5.1%**
- * **Hope city, TX (150): 2.8%**
- * **Luck city, TX (136): 2.5%**
- * **Must Town, TX (115): 2.1%**
- * **New city, TX (98) 1.8%**
- * **Houston city, TX (79) 1.5%**
- * **West city, TX (75) 1.4%**
- * **All Other Locations(2,323) 43.4%**

Anyplace Labor Market Inflow-Outflow

| | |
|---|------|
| Internal Jobs Filled by Outside Workers | 2857 |
| Internal Jobs Filled by Residents | 1347 |
| Employed in the Selection Area | 4204 |
| Living in the Selection Area | 5356 |
| Net Job Inflow (+) or Outflow (-) | |
| Source: LEHD | 1152 |

Inflow-Outflow Report

Selection Area Labor Market Size (Primary Jobs)

| | 2009 | |
|-----------------------------------|--------|--------|
| | Count | Share |
| Employed in the Selection Area | 4,204 | 100.0% |
| Living in the Selection Area | 5,356 | 127.4% |
| Net Job Inflow (+) or Outflow (-) | -1,152 | - |

In-Area Labor Force Efficiency (Primary Jobs)

| | 2009 | |
|---|-------|--------|
| | Count | Share |
| Living in the Selection Area | 5,356 | 100.0% |
| Living and Employed in the Selection Area | 1,347 | 25.1% |
| Living in the Selection Area but Employed Outside | 4,009 | 74.9% |

In-Area Employment Efficiency (Primary Jobs)

| | 2009 | |
|---|-------|--------|
| | Count | Share |
| Employed in the Selection Area | 4,204 | 100.0% |
| Employed and Living in the Selection Area | 1,347 | 32.0% |
| Employed in the Selection Area but Living Outside | 2,857 | 68.0% |

Anyplace Inflow of Workers: Where Workers in Anyplace are Commuting From

| | |
|--------------------------------------|---------------|
| Total Primary Jobs (4,204) | 100.0% |
| * Anyplace, TX (1,347) | 32.0% |
| * Dallas city, TX (123) | 2.9% |
| * Fort Worth city, TX (115) | 2.7% |
| * Waco city, TX (80) | 1.9% |
| * Houston city, TX (76) | 1.8% |
| * Hope city, TX (68) | 1.6% |
| * Must town, TX (59) | 1.4% |
| * Luck city, TX (58) | 1.4% |
| * San Antonio city, TX (46) | 1.1% |
| * Ever city, TX (41) | 1.0% |
| * All Other Locations (2,191) | 52.1% |

Inflow Characteristics

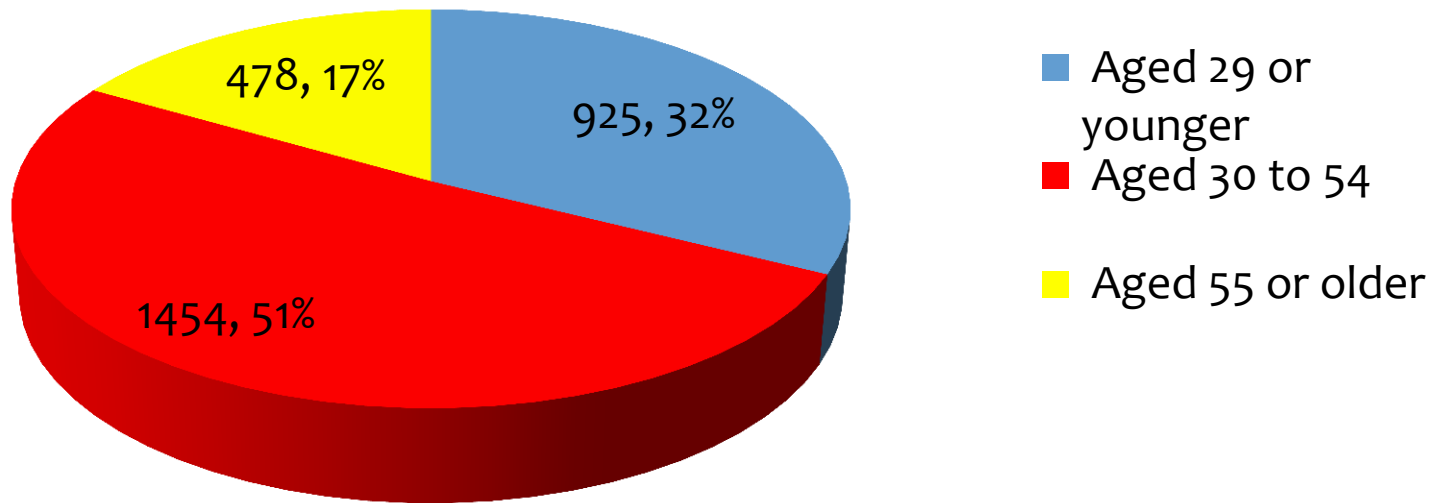
Income Levels

- * Workers Earning \$1,250 per month or less (751) 26.3%
- * (Workers Earning \$1,251 to \$3,333 per month: (1,293) 45.3%
- * Workers Earning More than \$3,333 per month (813) 28.5%

Industry Classifications

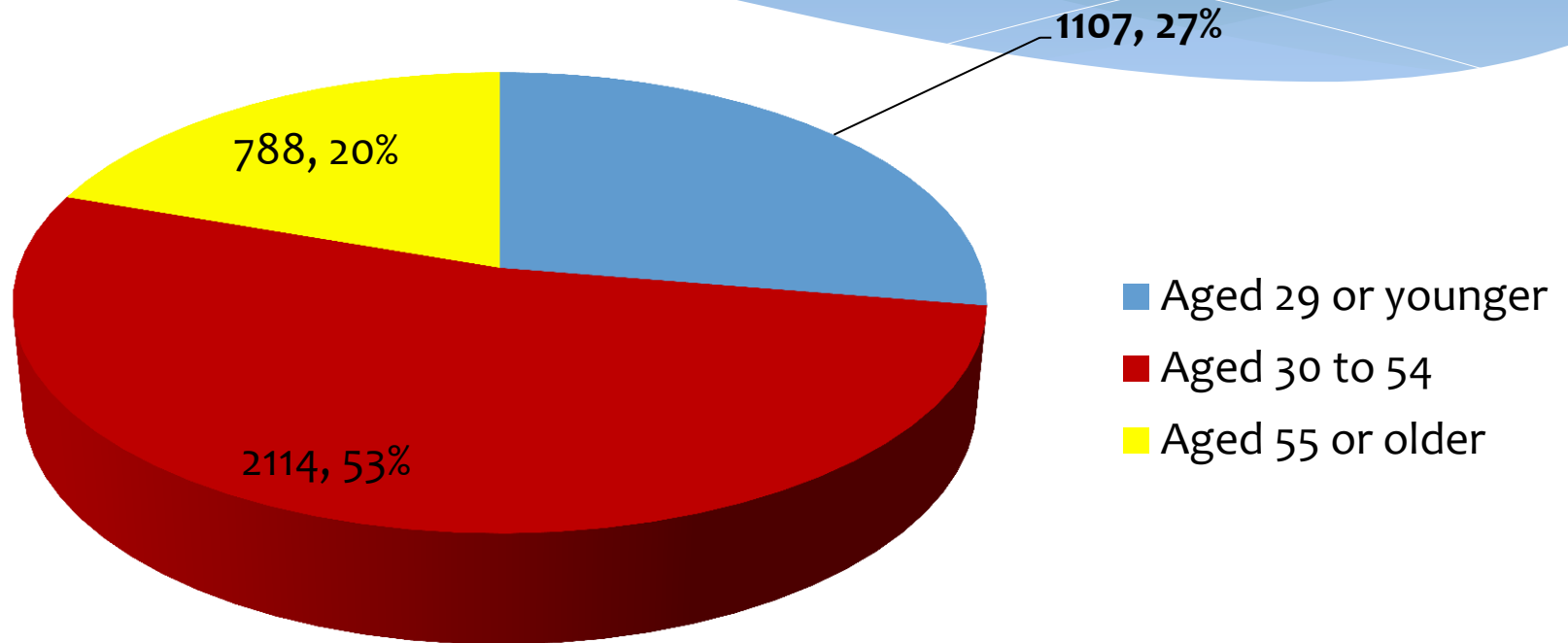
- * Workers in the "Goods Producing" Industry Class (795) 27.8%
- * Workers in the "Trade, Trans. and Utilities" (865) 30.3%
- * Workers in the "All Other Services" Industry Class (1,197) 41.9%

Internal Jobs Filled by Outside Workers



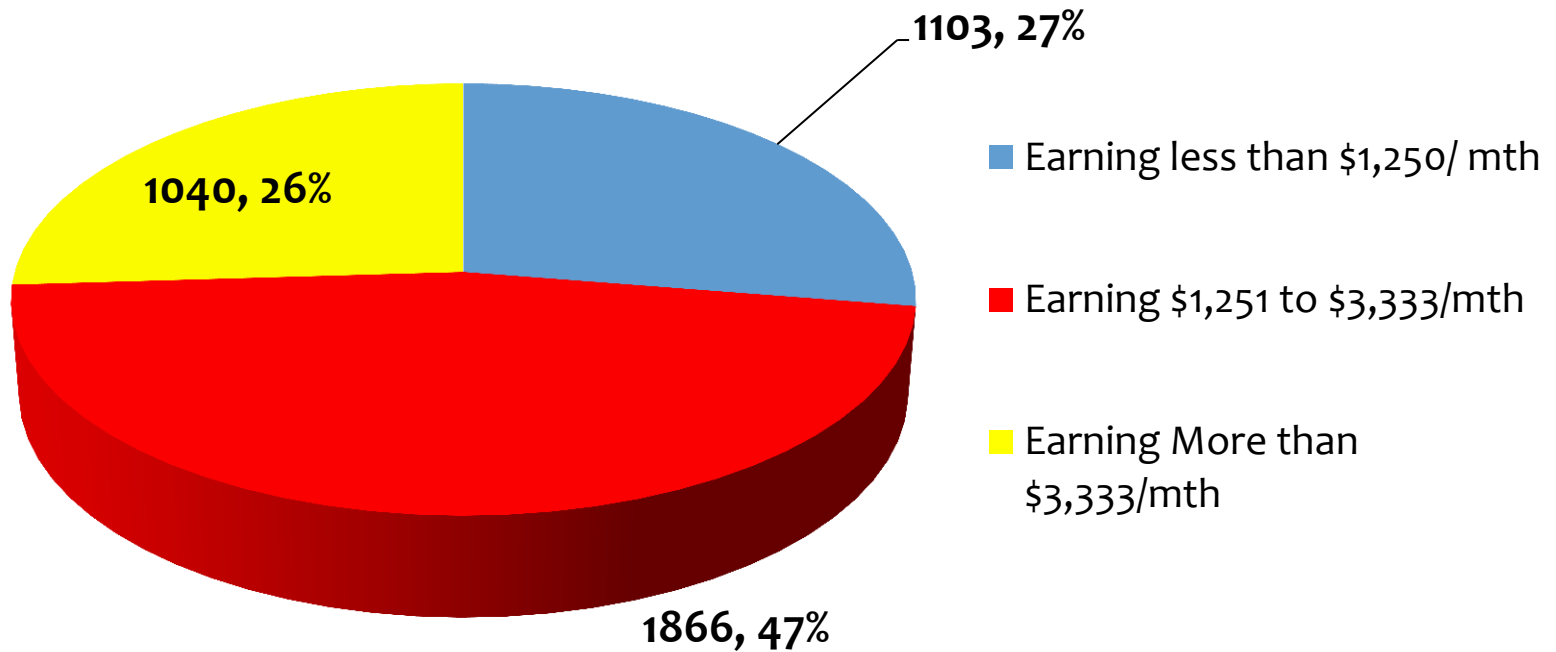
Outflow Job Characteristics

Numbers of Workers

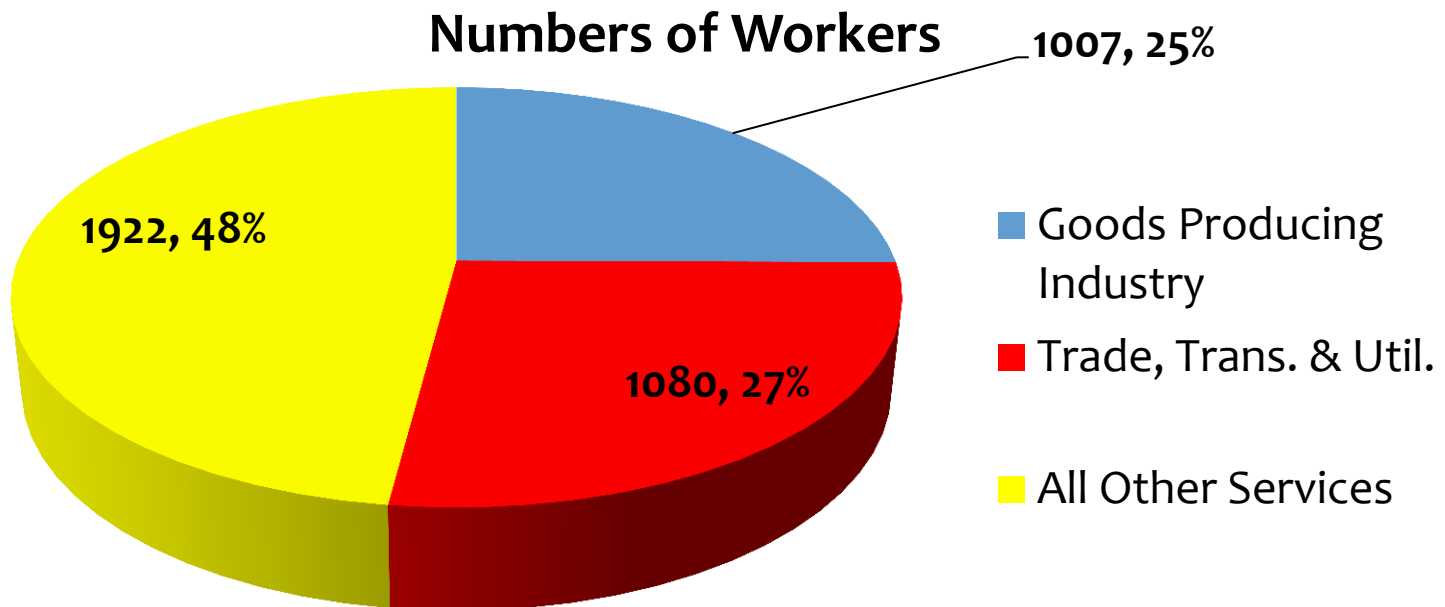


Outflow Job Characteristics

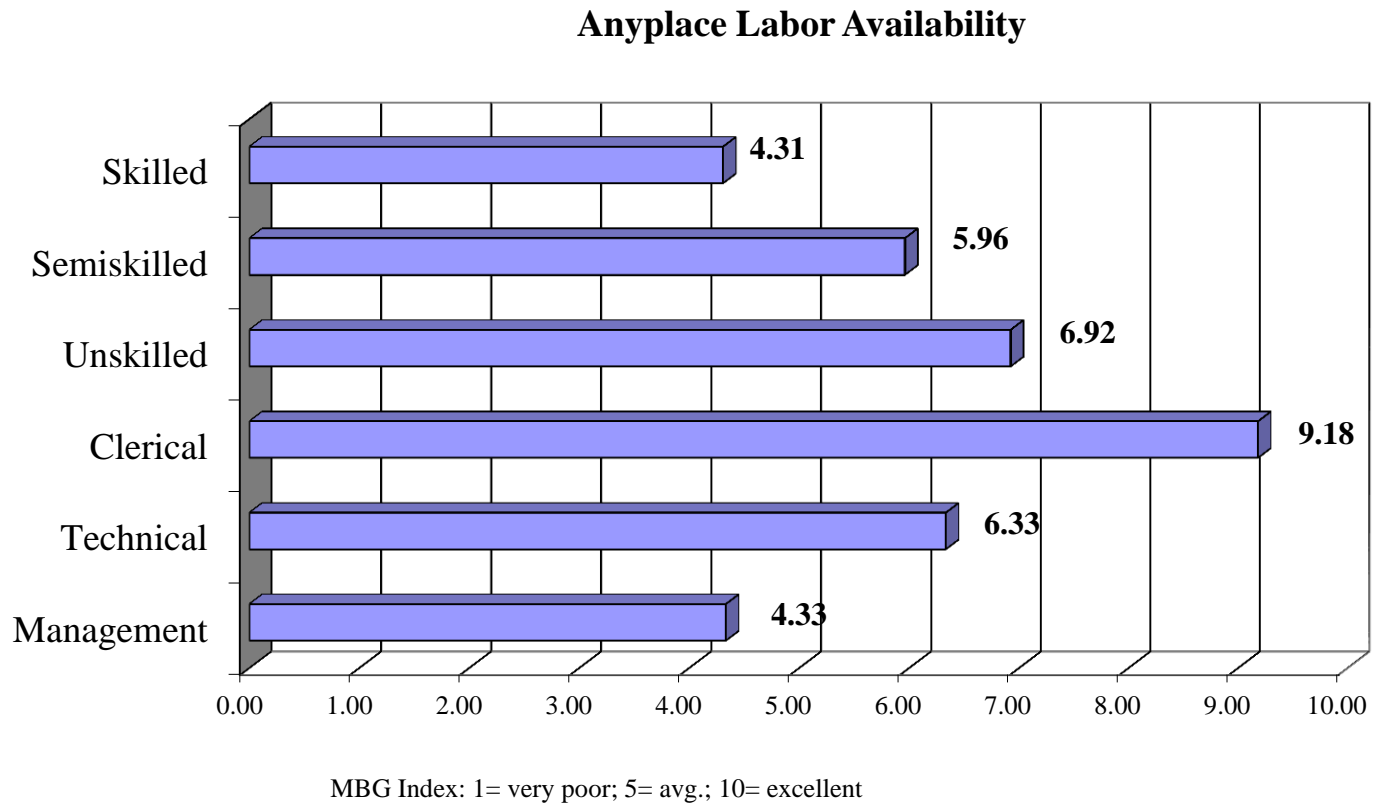
Number of Workers



Outflow Job Characteristics

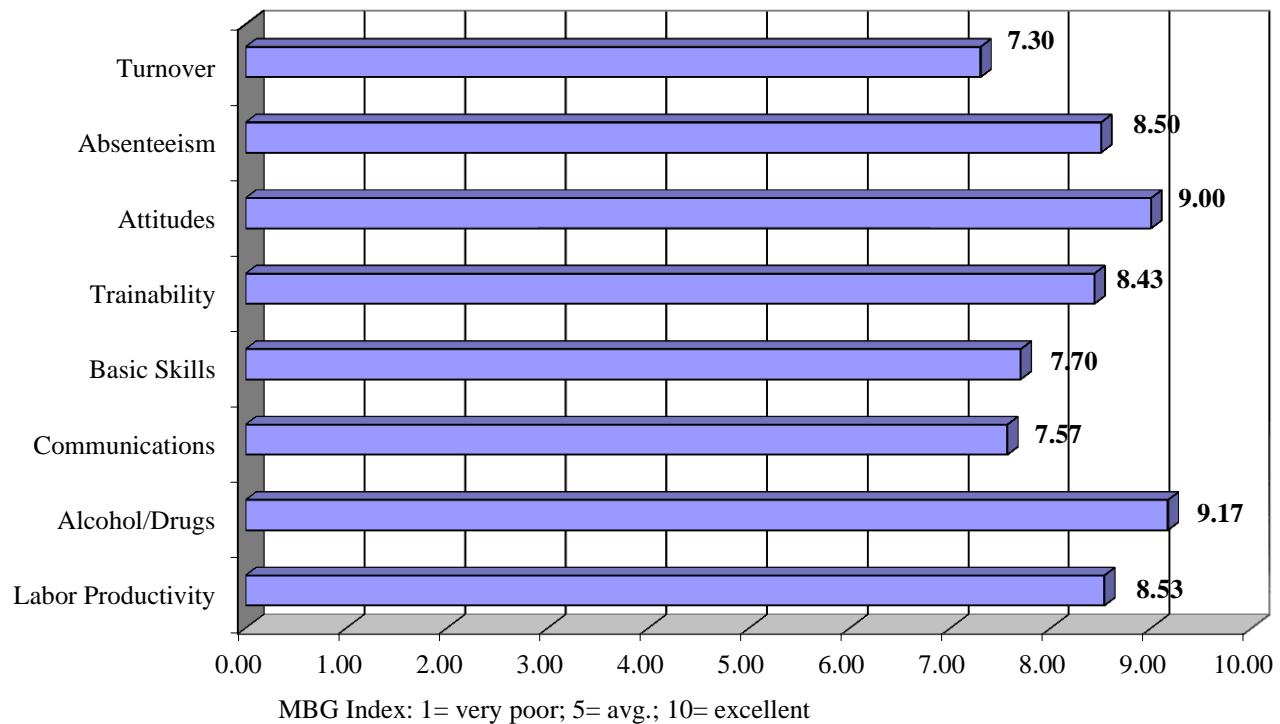


Anyplace Labor Field Work Analysis



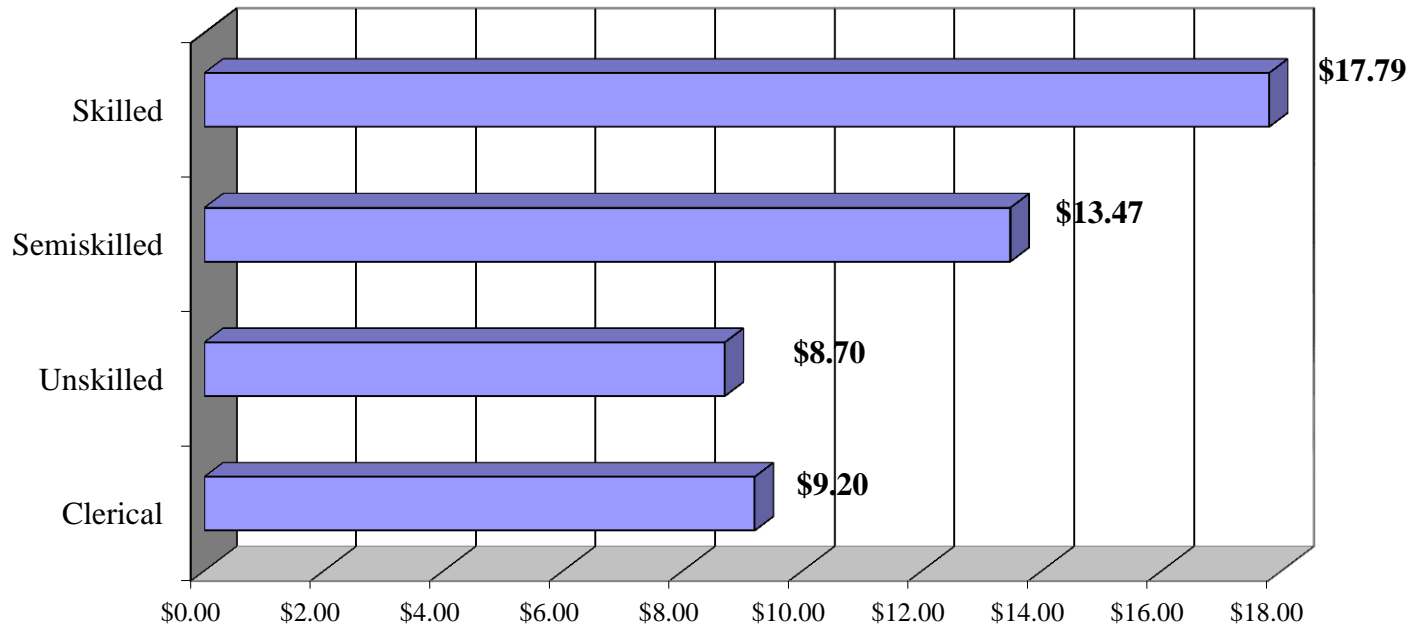
Anyplace Labor Field Work Analysis

Anyplace Labor Characteristics



Anyplace Labor Market Analysis

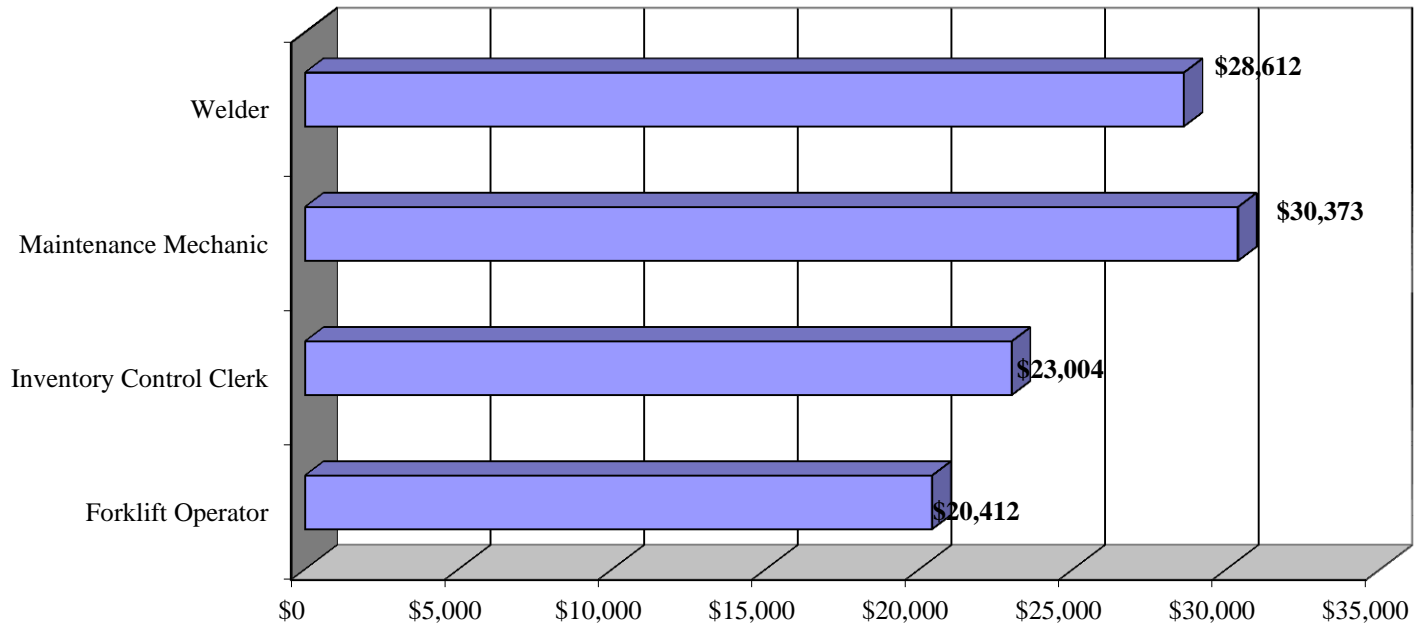
Anyplace Field Work Wages



source: MBG fieldwork Aug.2011

Anyplace Labor Field Work Analysis

Anyplace Manufacturing Worker Salaries



source: ERI, 2nd qtr.2011; 1 yr. median salaries

Observations on Field Work

- * **Labor Availability:** easy to find warehouse workers, clerical positions and general labor.
 - Hard to find: skilled positions, managers, engineers
- * **Labor Quality:** Employers give high marks to work ethic, attitude, and loyalty.
- * **Wages:** *field work found higher skilled wages than published wages, wages less than Dallas area.*
- * **Education and Training:** *employers not using community college programs locally, are using state technical programs in Waco. No relationship with any universities*

What did On the Map do?

- * Demonstrated that labor shed around Anyplace is very large.
- * It takes in Dallas Metroplex and thousands of residents are commuting to Metroplex and south.
- * Semiskilled and unskilled wages are lower than \$10/hr. indicating softness in the labor market.
- * Many young people (1100) who live in the city are commuting to work outside the area.
- * 1100 of those commuters are making less than \$1200/mth.

What Didn't On The Map Do?

- * It could not judge labor characteristics, turnover, absenteeism, attitudes, trainability, etc.
- * It could not pick up differences in published versus field work data.
- * It can not determine availability, it can only look at factors that may impact availability.
- * It cannot tell you about skills only general information regarding industry classifications and ages.

How Does the EDO Use On The Map

- * Develop all the On the Map Area Profile Analysis into Adobe and Excel formats.
- * Where possible download pertinent maps into Power points.
- * Build charts to demonstrate income, ages, and industry classification.
- * If your community is a metro, take in other cities
- * If you are in a rural area, take in other surrounding communities.
- * Package the data into all presentations

If You Ask Me a Question, I Don't Know, I Am Not Going to Answer

Yogi Berra ...1973

(same as when you are asked a question by a site selector regarding the labor market)

Thank You,

Jack Allston, CEcD, FM

JBA & Associates

(an affiliate of Foote Consulting, LLC)

Office: 505-892-5216

Mobile: 505-803-9392

Email: jallston@csonline.net

www.jbaassoc.com