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INTRODUCTION

The Pathfinders has employed its 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 Pensacola, Florida area workforce. The information presented in this report has been developed independently of the client, and the client has not influenced the findings.

The Pathfinders functions as a site-selection consultant to many of America's largest corporations, including companies such as AT&T, DuPont, Celanese, 3M Corporation, IMC Global, Singapore Aerospace, AIG, UPS, and Lockheed Martin. The question that most often drives the search for a new business location is whether the candidate location has the workforce needed, and a workforce analysis has been a key component of the site searches conducted for these clients. Senior human resources executives from among corporate clients assisted in refining this methodology and report format. 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.

In a poll of its corporate clients, The Pathfinders found that those clients' experiences suggest that new hires for new operations typically do not come from the ranks of the unemployed. Instead, these clients and other companies staff a new operation principally 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 type of quality employer that the Pensacola region is attempting to attract will typically hire people who come from this group. As a consequence, The Pathfinders was retained to quantify the extent to which underemployment exists in the area, as well as to document the cost, skills, experience, and education of that hidden workforce. This report represents the objective and professional view of The Pathfinders with regard to workforce availability, cost and skills that a new employer can expect in the Pensacola region.



SUMMARY OF FINDINGS

- The Pensacola area, referred to in this report as the “labor shed”, has a household population of approximately 790,300 and a civilian labor force of approximately 406,500.
- The labor shed has a pool of approximately 21,900 unemployed persons who are actively seeking work.
- A new employer will be able to attract employees from an additional pool of about 81,100 workers. These individuals are currently employed and have indicated an interest in changing jobs.
- These potentially available workers are referred to in this report as the “underemployed” because they appear to possess the skills, experience, and education to qualify them for the pay rates at which they would take a new job.
- The desired pay rates of these underemployed workers are reasonable when compared to their existing pay rates. The median current pay rate of the underemployed workers is \$16.26 per hour, and the median desired pay rate of the underemployed workers is \$17.93 per hour.
- About 25% of the underemployed workers would take a new job for \$12.68 per hour or less. At the upper end, the 25% most qualified and experienced will command more than \$25.13 per hour.
- The Pensacola area underemployed workers exhibit high degrees of experience and skills in the fields of customer service and office operations.



METHODOLOGY

Published government statistics report wages and employment for the entire workforce of an area, even though most of that workforce has no interest in changing jobs. **This report, prepared by The Pathfinders, includes data on those people in the area who desire to change jobs and who would be potential candidate workers for a new employer.** As opposed to average wages, this report quantifies the number of those workers available for an employer in various wage ranges. Also included as potential workers are the unemployed who are actively seeking work as obtained from state or national sources.

The first step in assessing the workforce of the Pensacola 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 Pensacola 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 Escambia, Okaloosa and Santa Rosa Counties in Florida and Baldwin and portions of Escambia Counties in Alabama.

Once the labor shed was identified, a random sample of telephone numbers of qualified respondents in the labor shed was obtained for use in the Computer Assisted Telephone Interviewing or CATI system.

The Pathfinders then conducted telephone interviews with individuals throughout the Pensacola region. Those individuals were proportionally stratified across age, household income, and zip codes. The purpose of these interviews 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 as defined in the introduction.



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 counted in the results.

This process considers that to be counted as underemployed, an individual must be currently employed full-time and willing to take another job at a pay rate commensurate with personal skills, education, and experience.

Current pay alone is not the qualifying factor for underemployment status in this study. Individuals, for example, making \$7.50 per hour, possessing no high school degree or skills, and being in the workforce for less than one year may consider themselves to be underemployed but are not considered to be so in this report. On the other hand, education, skills, and experience may qualify the person making \$22.00 per hour as truly underemployed.

Irrespective of the fact that the methodology employed is scientifically proven to produce such results, it is perhaps even more 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 Pensacola Area Labor Shed

The Pensacola area labor shed has a household population of approximately 790,300. The civilian labor force numbers approximately 406,500, and the labor shed contains approximately 21,900 unemployed people who are actively seeking work.

The results of this assessment determined that approximately 81,100 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.

In total, the Pensacola area has approximately 103,000 available workers for new or existing employers.

AVAILABLE WORKERS

Number of underemployed workers*	81,100
Number of unemployed persons who are actively seeking work	21,900
Total Number of Workers Available for Employers	103,000

* The reader is cautioned that, while the number of underemployed 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 Pensacola Area Labor Shed

The focus of this report is on the underemployed workers in the Pensacola region. This is the group from which new and existing employers will typically hire workers. Research indicates that less than 10% of new hires come from the unemployed sector. Rather, employers hire individuals who are already working, but are considering a job change.

The 81,100 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 pay rates they expect to achieve range from under \$8.00 to over \$30.00 per hour.

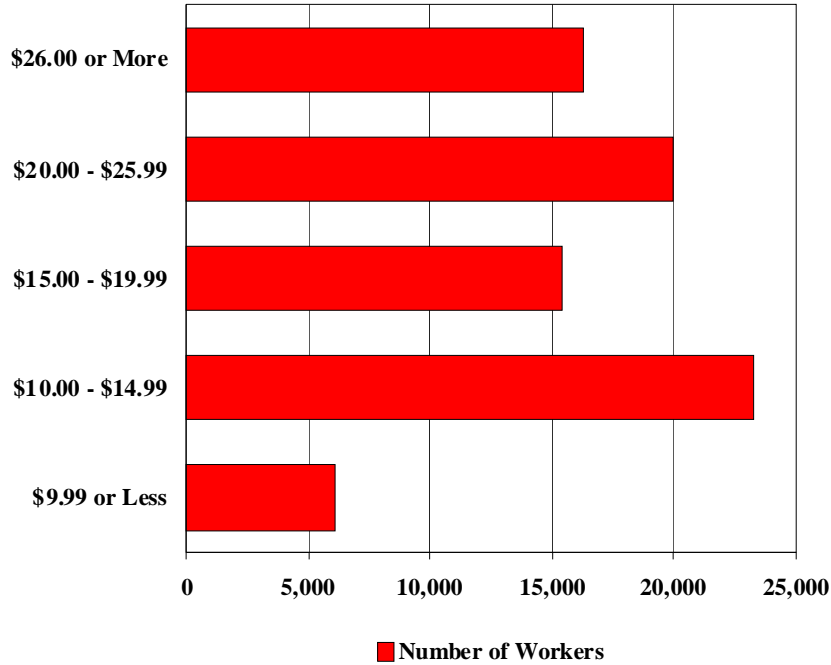
The following data represent the desired pay rates of the underemployed individuals in the labor shed. Many workers expressed their wage requirements in weekly, monthly, or annual terms, but all wage figures in this report are presented in hourly rates. Selected conversions may add perspective to the hourly rates. Figures presented below are rounded and based on a 40-hour workweek.

CONVERSION CHART

Hourly	Weekly	Annually
\$ 10.00	\$ 400.00	\$ 20,800.00
\$ 15.00	\$ 600.00	\$ 31,200.00
\$ 20.00	\$ 800.00	\$ 41,600.00
\$ 25.00	\$ 1,000.00	\$ 52,000.00
\$ 30.00	\$ 1,200.00	\$ 62,400.00
\$ 35.00	\$ 1,400.00	\$ 72,800.00



DESIRED WAGE RATES PER HOUR BY RANGE
81,100 Underemployed Workers



NUMBER OF UNDEREMPLOYED WORKERS AVAILABLE
AT SPECIFIC WAGE RATES PER HOUR (rounded)

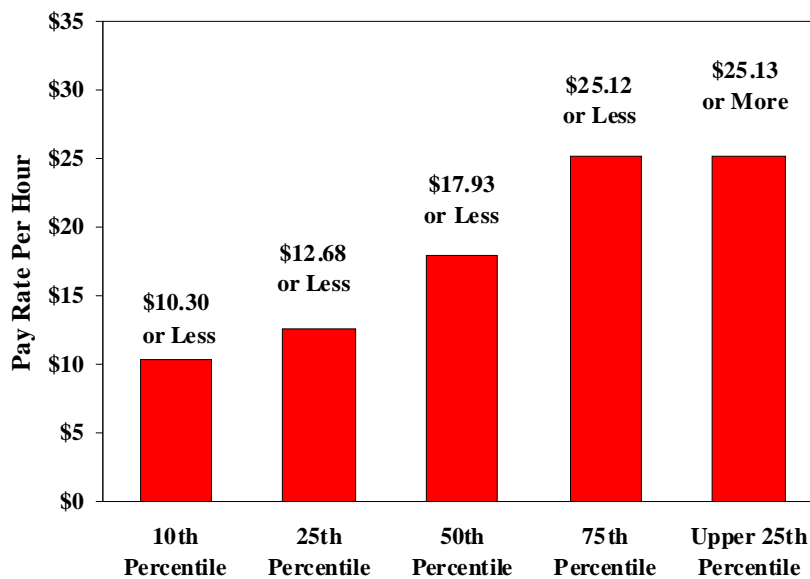
<u>\$7.99 or Less</u>	<u>\$8.00 - \$9.99</u>	<u>\$10.00 - \$11.99</u>	<u>\$12.00 - \$13.99</u>
800	5,300	11,400	7,400
<u>\$14.00 - \$15.99</u>	<u>\$16.00 - \$17.99</u>	<u>\$18.00 - \$19.99</u>	<u>\$20.00 - \$21.99</u>
11,800	4,000	4,100	6,900
<u>\$22.00 - \$23.99</u>	<u>\$24.00 - \$25.99</u>	<u>\$26.00 - \$27.99</u>	<u>\$28.00 - \$29.99</u>
5,700	7,400	1,700	1,600
<u>\$30.00 - \$31.99</u>	<u>\$32.00 - \$33.99</u>	<u>\$34.00 - \$35.99</u>	<u>\$36.00 or More</u>
2,400	2,000	3,700	4,900



Utilizing the desired wage information as illustrated in the preceding charts, the following conclusions can be drawn concerning the underemployed workers in the Pensacola area:

- 10% of the underemployed workers will require \$10.30 per hour or less to change jobs.
- 25% of the underemployed workers will require \$12.68 per hour or less to change jobs.
- 50% of the underemployed workers will require \$17.93 per hour or less to change jobs.
- 75% of the underemployed workers will require \$25.12 per hour or less to change jobs.
- The upper 25% of the underemployed workers will require wages beginning at \$25.13 per hour and extending upward to over \$30.00 per hour. These are the most qualified and experienced workers.

DESIRED WAGE RATES BY PERCENTILE

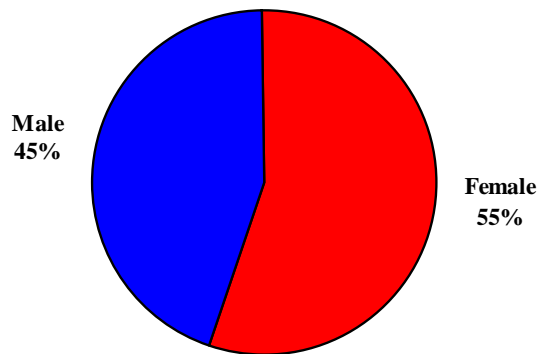


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

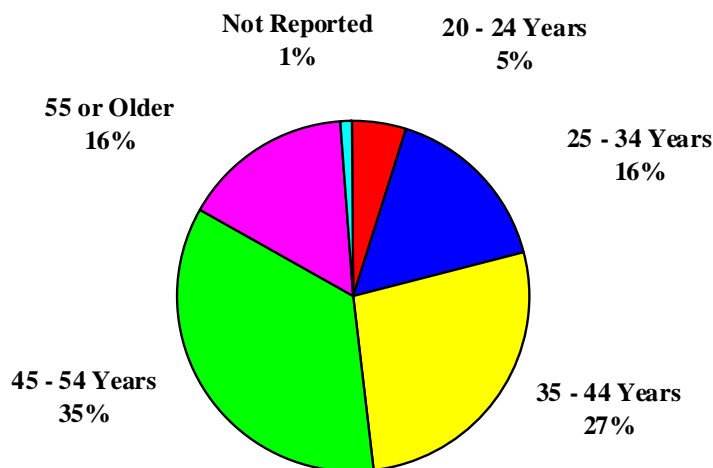
The Pensacola Area Labor Shed

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.**

GENDER

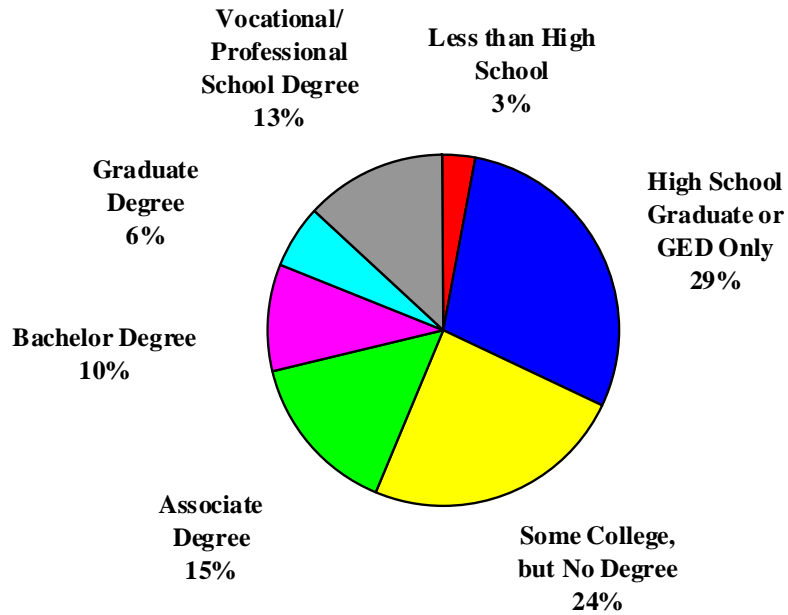


AGE

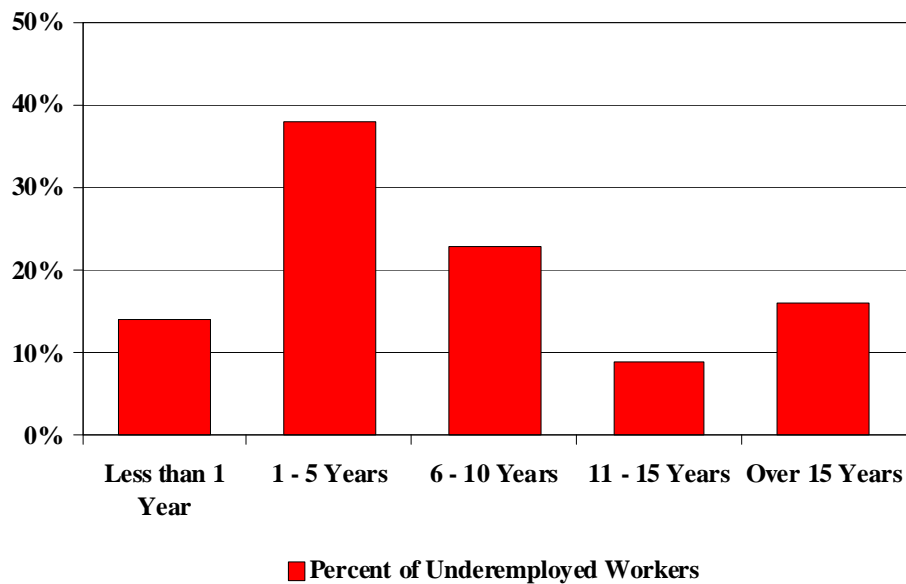


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

EDUCATION

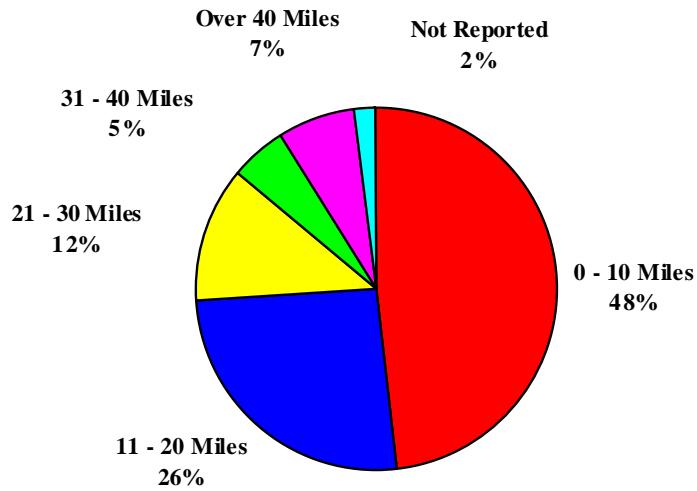


LENGTH OF TIME IN CURRENT JOB



CHARACTERISTICS OF UNDEREMPLOYED WORKERS

CURRENT COMMUTE DISTANCE

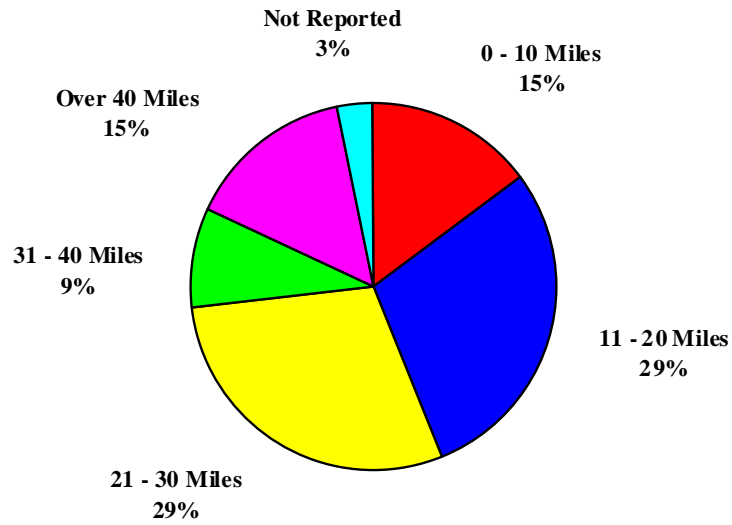


CURRENT COMMUTE TIME

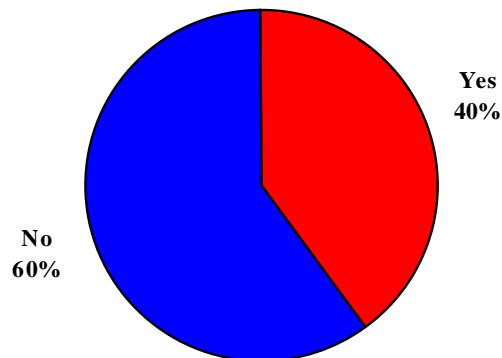


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

HOW FAR WILLING TO COMMUTE

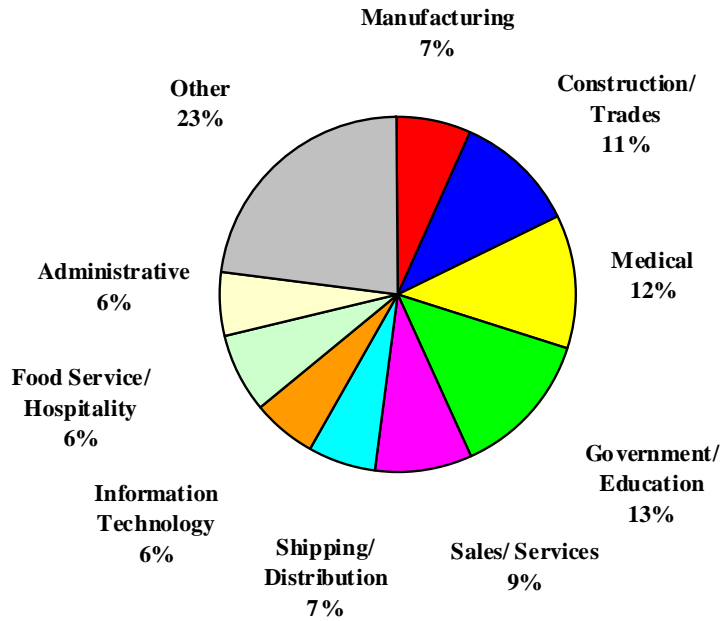


OVER-QUALIFIED FOR CURRENT JOB

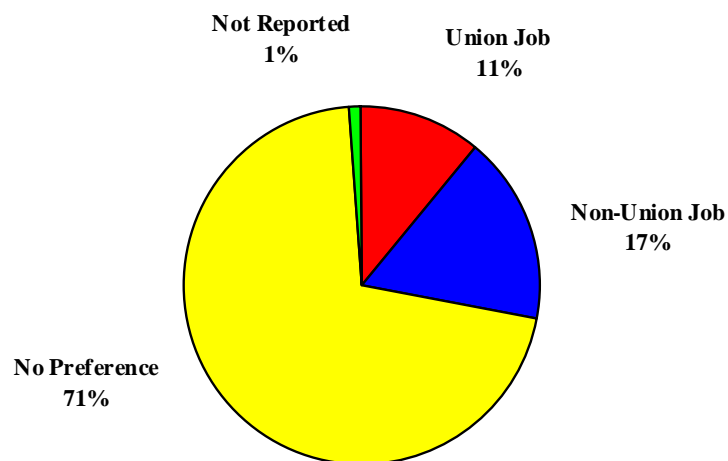


CHARACTERISTICS OF UNDEREMPLOYED WORKERS

CURRENT SECTOR OF EMPLOYMENT



UNION PREFERENCE



EXPERIENCE AND SKILLS – UNDEREMPLOYED WORKERS

The Pensacola Area Labor Shed

The experience and skills categories used in this report are designed to provide accurate workforce data for employers which fall into one or more of the following four broad groups:

- manufacturing, assembly, fabrication or other industrial operations;
- back office, data processing, call centers, information technology, customer service or sales operations;
- distribution or transportation operations; and,
- biotechnology, pharmaceuticals or medical research operations.

The experience and skills categories are purposefully similar in order to present the most accurate worker availability for operations in one of those four groups.

An employee in the front office of a manufacturing operation will be considered to have “manufacturing” experience but may only have “office” skills. Someone with “manufacturing” experience may not have “manufacturing” skills, but could have “materials handling” skills if they work in shipping or receiving. “Sales and customer service” experience crosses many other experience and skills categories and ideally would be possessed by anyone with customer contact to any degree.

The similarities between the skills and experience categories are designed to ensure inclusiveness considering the multitude of tasks and job titles present in most business, government and institutional operations. Additionally, what may appear to some observers as redundancy is, in reality, a proven mechanism to cross-check the validity of responses and to identify the degree to which workplace and professional competencies are truly transferable to new positions and employers.



EMPLOYMENT EXPERIENCE OF UNDEREMPLOYED WORKERS**The Pensacola Area Labor Shed****81,100 Underemployed Workers**

Experience Category*	Total Number of Persons Experienced**	Percentage of Total Underemployed	Average Number of Years of Experience
Customer Service	56,000	69%	11
Office Operations	49,500	61%	11
Sales	35,700	44%	6
Warehouse/Distribution/Transportation	33,300	41%	6
Manufacturing/Assembly/Fabrication	30,000	37%	9
Telecommunications	26,000	32%	9
Maintenance/Installation/Repair	22,700	28%	11
Information Technology	21,900	27%	9
Medical/Health Sciences	17,800	22%	9
Call Center	17,800	22%	6
Aerospace/Aviation	8,900	11%	11

* Individuals polled may have experience in more than one job classification.

** Rounded



EMPLOYMENT SKILLS OF UNDEREMPLOYED WORKERS**The Pensacola Area Labor Shed****81,100 Underemployed Workers**

Skills*	Total Number of Persons Skilled**	Percentage of Total Underemployed
Office Operations	51,100	63%
Warehouse/Materials Handling	39,700	49%
Manufacturing/Assembly/Fabrication	34,100	42%
Information Technology	30,000	37%
Telecommunications	29,200	36%
Maintenance/Installation/Repair	27,600	34%
Technician/Quality Assurance	26,000	32%
Electronics/Engineering	19,500	24%
Medical/Health Sciences	17,000	21%
Aerospace/Aviation	11,400	14%

* **Individuals polled may have skills in more than one job classification.**

** **Rounded**



FACTORS AFFECTING JOB DESIRABILITY

The Pensacola Area Labor Shed

81,100 Underemployed Workers

In an effort to identify those factors most important to the Pensacola 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
Salary	59%	31%	6%	3%	1%
Location	40%	31%	21%	4%	4%
Insurance Benefits	64%	16%	12%	3%	5%
Retirement Benefits	58%	24%	12%	3%	3%
Physical Working Environment	36%	33%	24%	3%	4%
Paid Training Programs	37%	28%	25%	6%	4%
Flexible Work Schedule	36%	27%	25%	5%	7%
Opportunity for Advancement	51%	30%	15%	3%	1%
Financial Stability of the Company	68%	25%	5%	1%	1%
Reputation of the Company	45%	33%	16%	3%	3%



In the table below, the factors are presented in order by “extremely important”. Bear in mind that the scores should be viewed in relation to each other. In other words, respondents ranked opportunity for advancement as more “extremely important” as a job factor than paid training programs, although such a ranking does not mean that workers in the Pensacola area consider paid training programs to be unimportant in their evaluation of new job opportunities.

Factor	Extremely Important
Financial Stability of the Company	68%
Insurance Benefits	64%
Salary	59%
Retirement Benefits	58%
Opportunity for Advancement	51%
Reputation of the Company	45%
Location	40%
Paid Training Programs	37%
Physical Working Environment	36%
Flexible Work Schedule	36%



NATIONAL COMPARISONS

THE PENSACOLA UNDEREMPLOYED WORKFORCE

As a matter of course in site-selection projects, The Pathfinders evaluates published government workforce statistics. Those statistics, however, depict the entire workforce while only a minority segment of those workers will be considered for or have an interest in new jobs with a company. **The characteristics of the select, underemployed workforce group represented in this report may vary significantly from the workforce as a whole as reported in published government data.**

Accordingly, the information presented in the workforce report for the Pensacola region covers those members of the workforce who are, by virtue of their underemployment, potential candidates for new jobs. As stated earlier, existing employers, or new employers recruited to the Pensacola region, typically will not depend heavily on the unemployed to staff a new operation or to fill vacancies in existing operations caused by turnover or expansions. Companies look to the ranks of people who are already employed but are seeking to better themselves. Those individuals in that category who appear to possess the education, skills, and experience to merit a better job are classified as underemployed.

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 communities previously surveyed throughout the nation. A prospect company considering the Pensacola region as a location will judge its workforce on a comparative basis. This section of the report will allow local economic development professionals to view the region's workforce in relation to others across the country.

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 600 surveyed counties and communities and more than 30 million workers.



Locations Used In Comparative Analysis (Partial Listing)

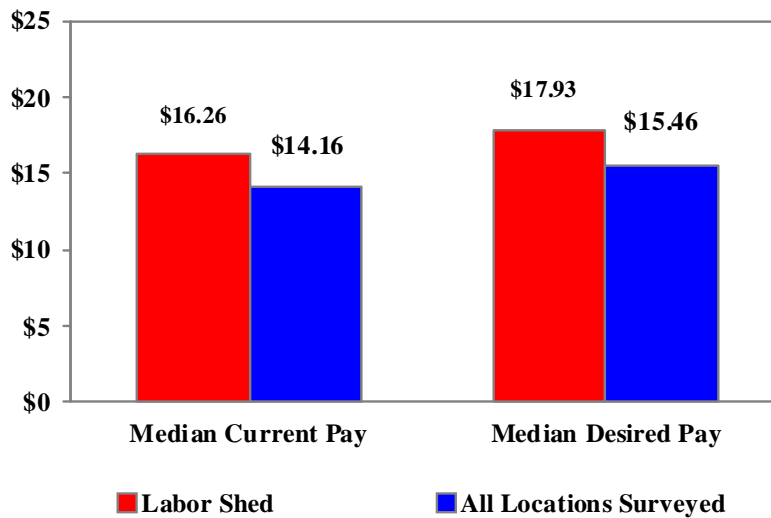
In the various charts which follow this page, this labor shed is compared with others for the purpose of making the data meaningful. In the charts, figures for this labor shed are shown alongside the “lowest”, “median” and “highest” figures from other workforce surveys conducted by The Pathfinders. The comparisons are with communities and counties representing both larger and smaller and those similar in size to this labor shed. They are also scattered throughout the nation, and a partial listing of locations from which the “low”, “median” and “high” data reported are derived includes:

Albany, NY	Cullman County, AL	Laramie, WY	Rockford, IL
Albuquerque, NM	Culpeper County, VA	Larimer County, CO	Salem, IL
Allegany County, MD	Danville, IL	LaSalle, IL	San Marcus, TX
Amarillo, TX	Daytona Beach, FL	Lea County, NM	Scranton, PA
Anderson, IN	Decatur, AL	Lebanon, KY	Seneca County, NY
Ardmore, OK	Eastern Shore, MD	Lee’s Summit, MO	Shasta County, CA
Ashland, KY	Elizabethtown, KY	Lexington, KY	Shreveport, LA
Atascadero, CA	Evansville, IN	Lincoln County, NE	Sikeston, MO
Atlanta, GA	Fairfield County, OH	Long Island, NY	Silver City, NM
Auburn, AL	Fargo, ND	Longview, TX	Spartanburg, SC
Baldwin County, AL	Fauquier County, VA	Louisville, KY	Spokane, WA
Bay County, FL	Fulton County, KY	Madison, SD	Springfield, IL
Bedford, TX	Grant County, NM	Meridian, MS	Sullivan County, NY
Beeville, TX	Grant County, WA	McDowell County, NC	Sumter County, SC
Binghamton, NY	Grays Harbor, WA	Mobile, AL	Syracuse, NY
Birmingham, AL	Greene County, NY	Mohawk Valley, NY	Tallahassee, FL
Boone County, IN	Grenada, MS	Monroe County, NY	Taylor, TX
Bowie, TX	Harrison County, IN	Montgomery, AL	Terre Haute, IN
Bryan/College Station, TX	Hazleton, PA	Moorhead, MN	Tioga County, NY
Buffalo, NY	Henderson, KY	Muncie, IN	Tipton County, IN
Bullitt County, KY	Hendricks County, IN	New Braunfels, TX	Tupelo, MS
Cambridge, MD	Hernando County, FL	New York City, NY	Tuscaloosa, AL
Cape Girardeau, MO	Hillsdale County, MI	Obion County, TN	Ulster County, NY
Casper, WY	Hudson Valley, NY	Ontario County, NY	Vermillion County, IN
Catawba County, NC	Huntsville, AL	Oswego County, NY	Vineland, NJ
Centralia, IL	Hutto, TX	Owsley County, KY	Warren County, VA
Champaign County, IL	Independence, MO	Panama City, FL	Wasatch County, UT
Cheyenne, WY	Indianapolis, IN	Pensacola, FL	Watertown, SD
Cleveland County, NC	Jackson, MS	Pierre, SD	Weld County, CO
Clinton, SC	Jackson County, MO	Polk County, NC	Wilkes-Barre, PA
Columbia, SC	Jay County, IN	Ponca City, OK	Williamsport, PA
Conroe, TX	Kalamazoo, MI	Prescott Valley, AZ	Winnebago County, IL
Corpus Christi, TX	Lake Havasu, AZ	Reno, NV	Yankton, SD



The chart below is designed to illustrate the median current and desired wages of the underemployed workers in the Pensacola 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. In this chart, the Pensacola region is referred to as “labor shed”.

**COMPARISON OF
MEDIAN CURRENT / DESIRED WAGES (per hour)
UNDEREMPLOYED WORKERS
The Pensacola Area /
Locations Surveyed Over the Past 18 Months**

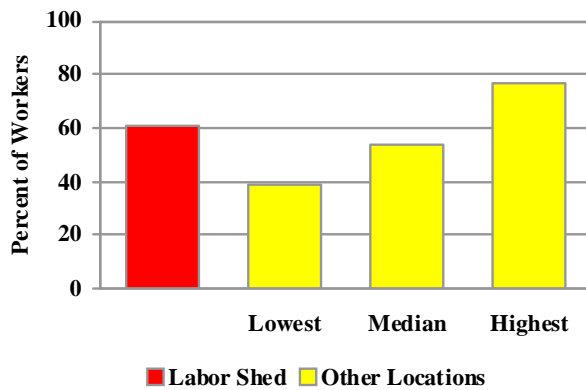


The following charts compare the percentages of underemployed workers in the Pensacola region who have experience and skills in various fields of employment with the percentages of underemployed workers in locations surveyed over the past eighteen months who have the same type of experience and skills. In the charts, the Pensacola region is identified in red and referred to as “labor shed”.

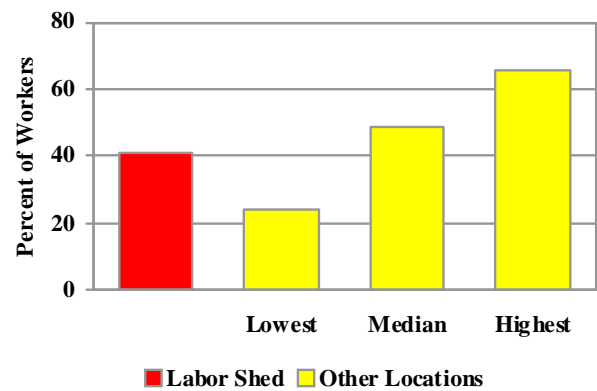
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

The Pensacola Area /
Locations Surveyed Over the Past 18 Months

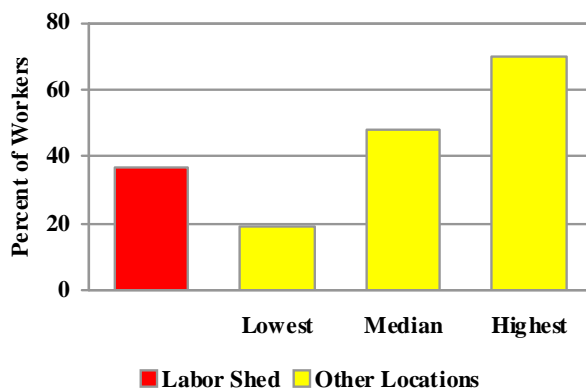
OFFICE



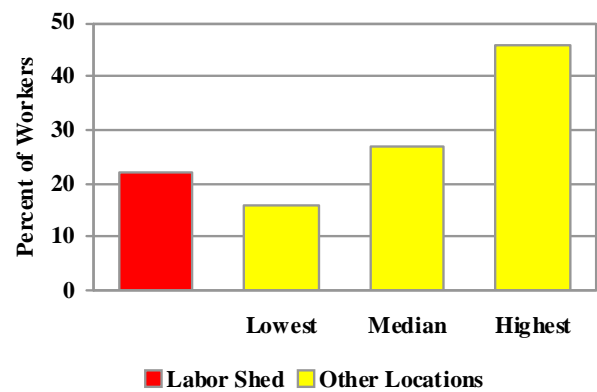
**WAREHOUSE / DISTRIBUTION /
TRANSPORTATION**



**MANUFACTURING / ASSEMBLY /
FABRICATION**



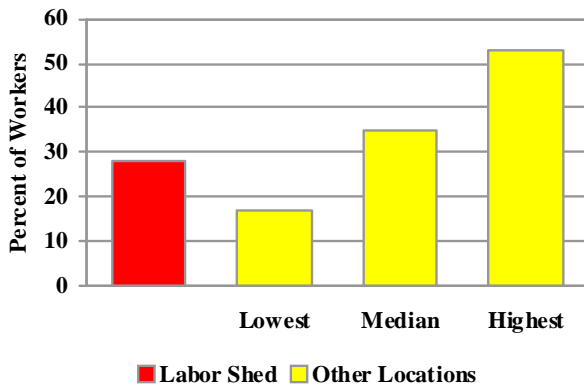
**MEDICAL /
HEALTH SCIENCES**



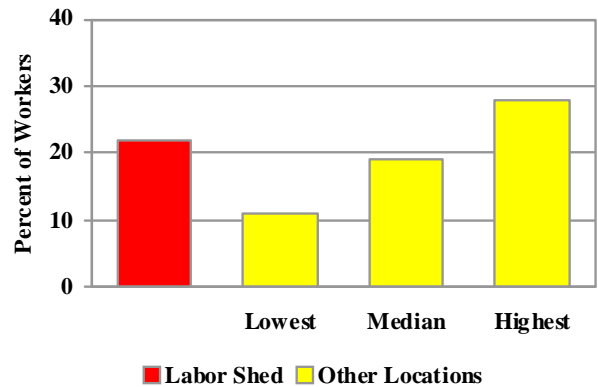
COMPARISON OF EXPERIENCE UNDEREMPLOYED WORKERS

The Pensacola Area /
Locations Surveyed Over the Past 18 Months

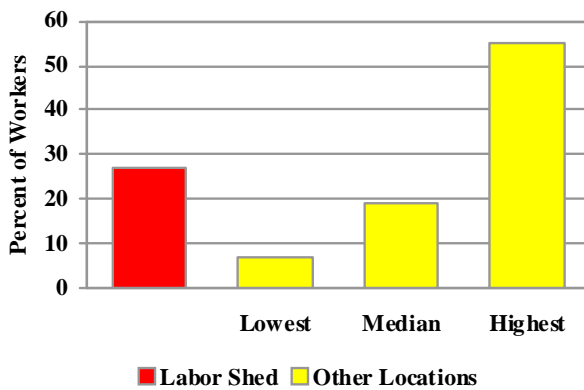
**MAINTENANCE /
INSTALLATION / REPAIR**



CALL CENTER



INFORMATION TECHNOLOGY

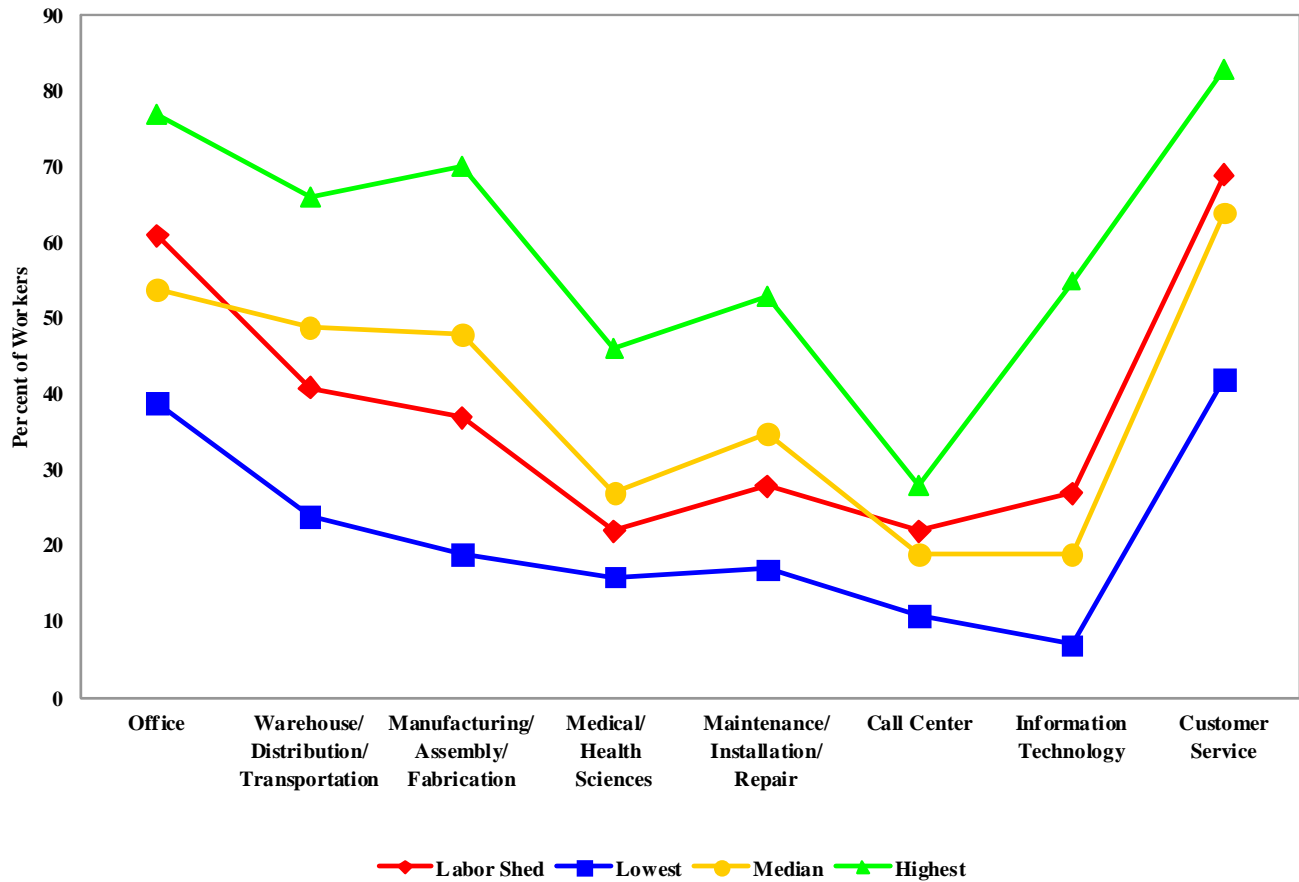


CUSTOMER SERVICE



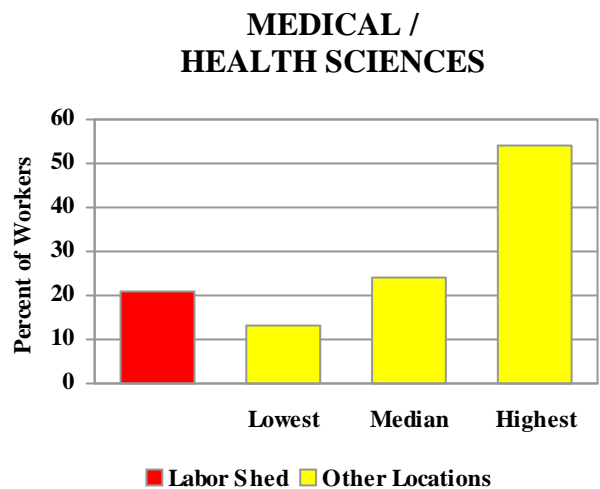
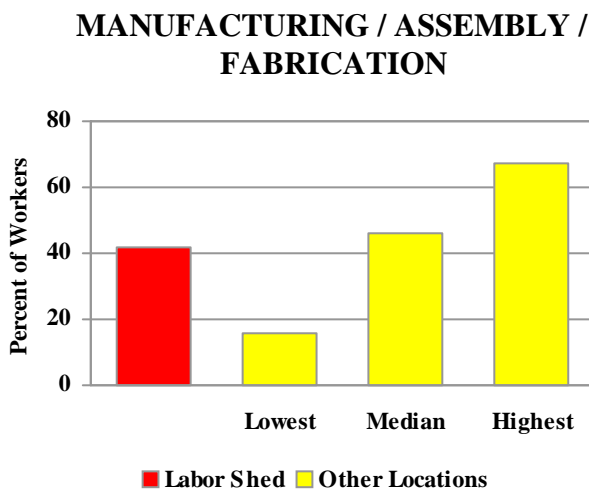
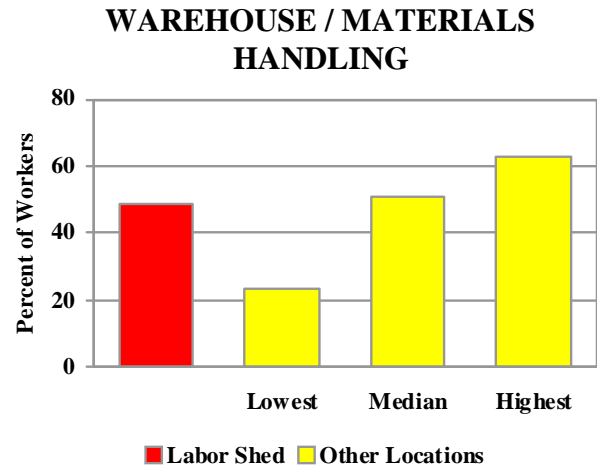
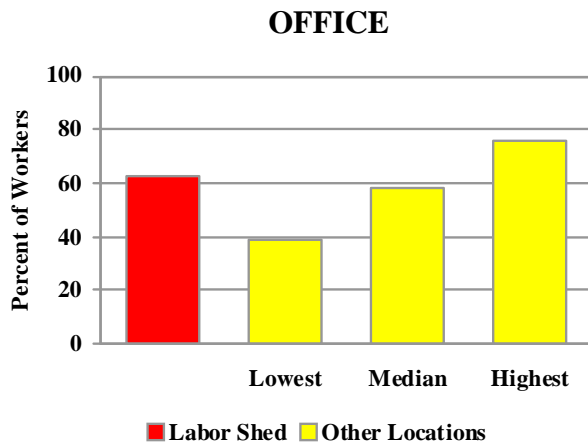
**SUMMARY COMPARISON OF EXPERIENCE
UNDEREMPLOYED WORKERS**

**The Pensacola Area /
Locations Surveyed Over the Past 18 Months**



COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

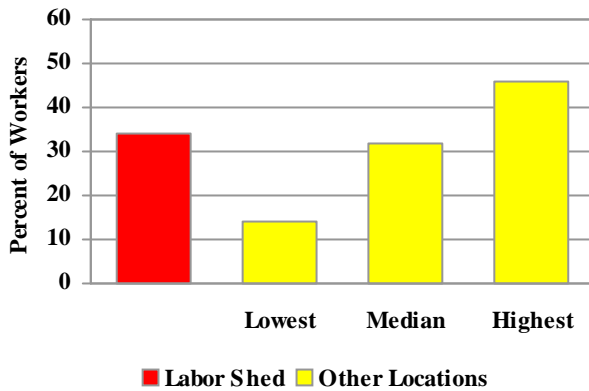
The Pensacola Area /
Locations Surveyed Over the Past 18 Months



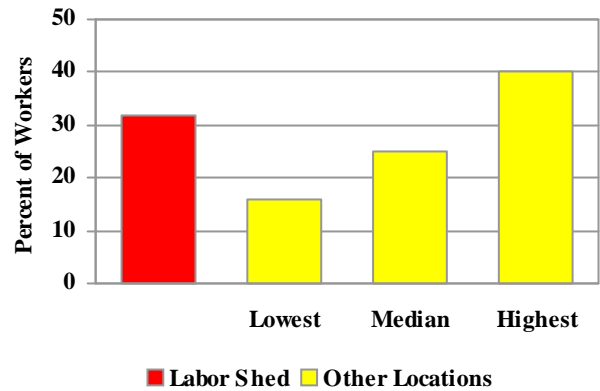
COMPARISON OF SKILLS UNDEREMPLOYED WORKERS

**The Pensacola Area /
Locations Surveyed Over the Past 18 Months**

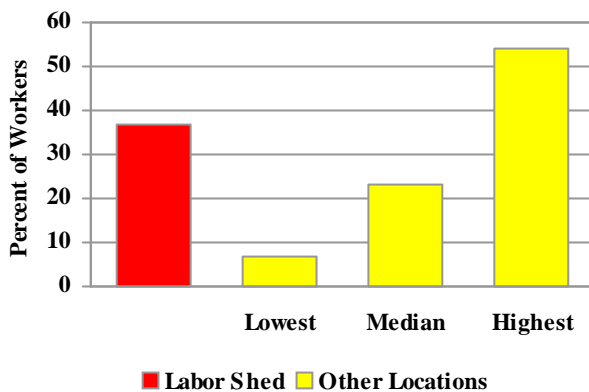
**MAINTENANCE /
INSTALLATION / REPAIR**



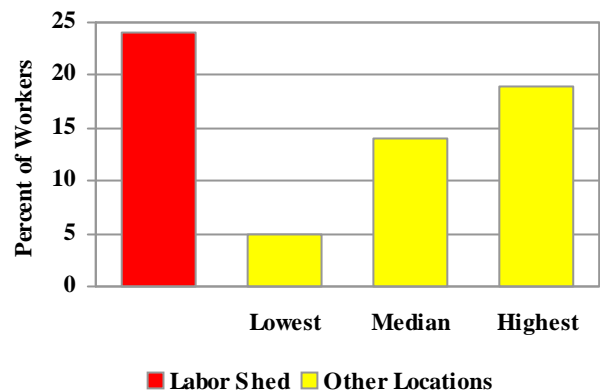
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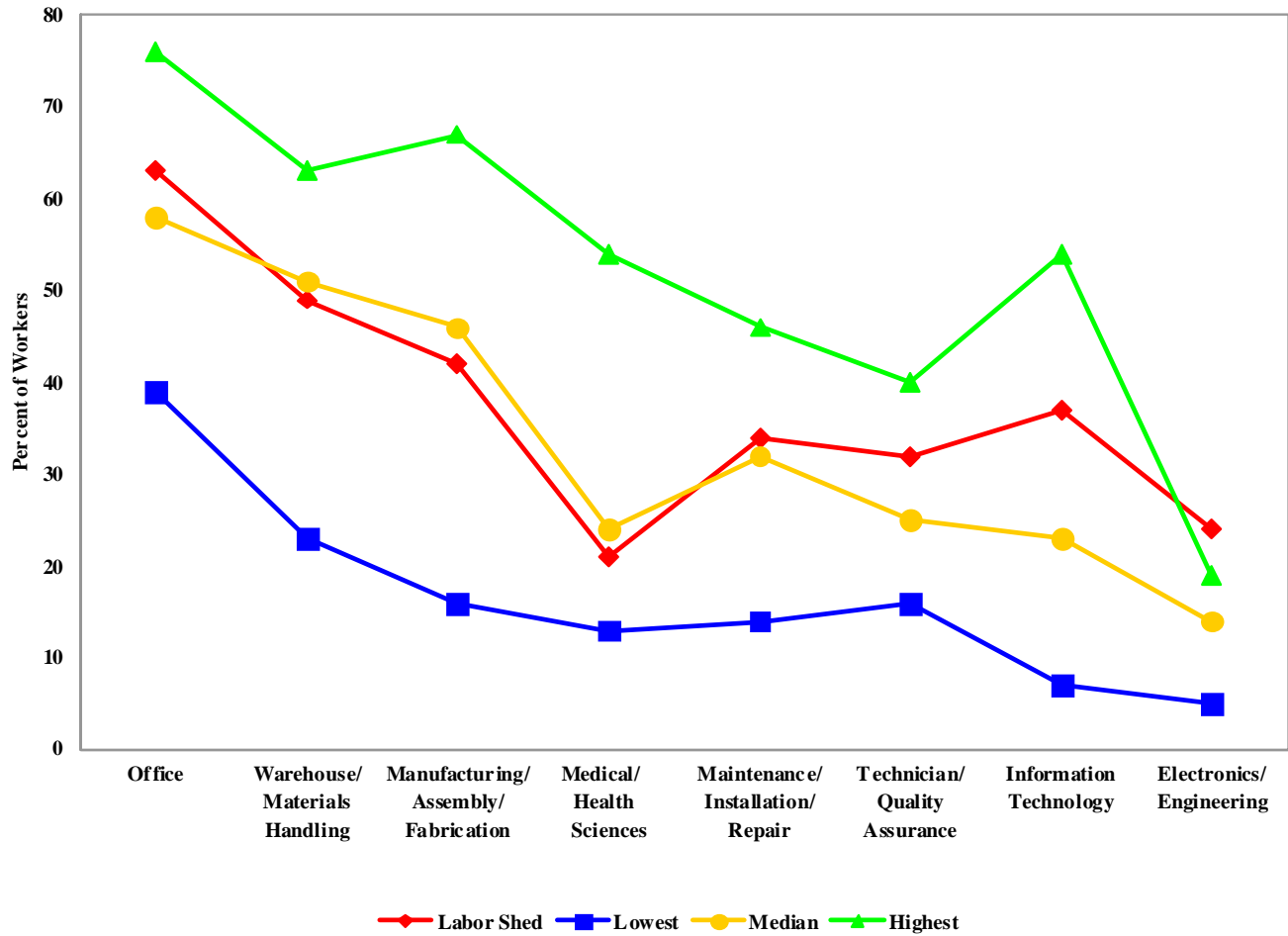
INFORMATION TECHNOLOGY



ELECTRONICS / ENGINEERING



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



CLOSING REMARKS

The foregoing report represents an assessment of the underemployment that exists in the Pensacola region. It includes a set of important interlocking measurements of the number of underemployed workers, their cost, skills, experience, education and other related factors. The information allows the economic development professional and the site-selection team to view the area in comparison to other locations.

Attention should be given to the final section of this report, “National Comparative Observations”, which compares, employing an identical methodology, the costs, experience, and skills of local underemployed workers with those underemployed workers in locations surveyed by The Pathfinders over the past eighteen months.

While the number of underemployed workers in the Pensacola region, including their cost, skills, and experience, is the focus of this report, the data should be interpreted in a comparative perspective just as the corporate site selector will in deciding among competing locations.

For Informational Purposes:

The Pensacola Area Civilian Workforce	406,500
Largest Workforce Surveyed by The Pathfinders	5,000,000
Median Workforce Surveyed by The Pathfinders	165,050
Smallest Workforce Surveyed by The Pathfinders.....	3,350





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