

CONFIDENTIAL



LABOR MARKET ANALYSIS CENTRE COUNTY

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Disclaimer:

This analysis is not based on a specific business endeavor. Rather, this report examines the labor market, educational attainment levels, age, industry employment, occupational status, and commute times of areas surrounding an arbitrarily selected, centralized location in Centre County, located within the Central Workforce Investment Area (WIA), which can then be applied to a general marketing study for potential business ventures. A point was visually chosen in Centre County to make it as centralized as possible. Data is provided by DemographicsNow.

Introduction:

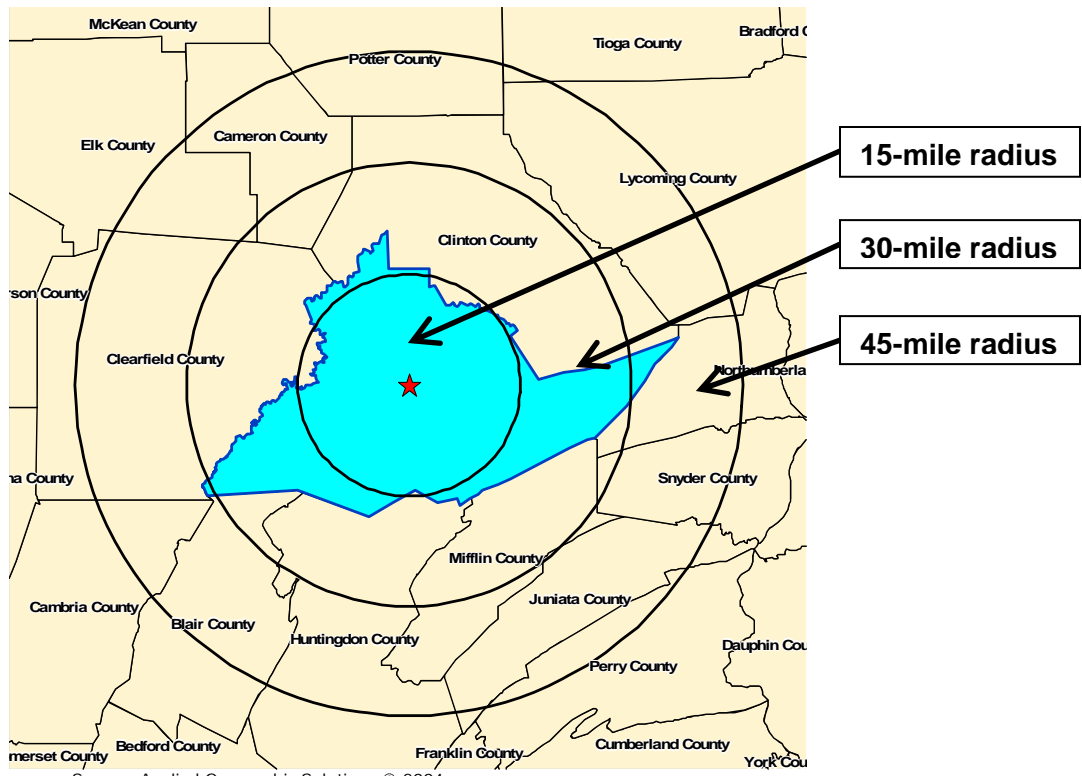
It is important to understand the labor force in areas surrounding this centralized location in Centre County as potential plans for recruitment or expansion are made by various businesses. The following analysis compares the labor force demographics in 15-, 30- and 45-mile radii from this point. This analysis can be customized around a potential company's desired location or existing business parks.

Recruitment Area:

This analysis looks at the general characteristics of the labor force that apply to all business ventures. More specific analysis can be completed to explore the labor force potential for particular ventures within Centre County or any other area in the Central WIA.

Potential companies will look to create superior workforces to make each business successful. Undoubtedly, a variety of factors will be considered when choosing which applicants will be hired, such as experience, education, references, et cetera. Additionally, companies will want to avoid problems such as high employee turnover and unqualified applicants. It will be important to confront these concerns and develop a quality staff from which a successful business can be built.

If potential companies are able to establish themselves as magnet employers in Centre County, it is not unreasonable to expand the recruitment of residents to 7 counties within a 30-mile radius of the centralized location in Centre County as depicted in the map below. A potential company will be much more likely to find a sufficient pool of qualified and available workers if it is able to broaden its reach beyond a 15-mile radius that includes essentially only Centre County.



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Population & Labor Force:

In a 15-mile radius around this centralized location in Centre County, the estimated average unemployment rate in 2006 was 3.92%, which equates to over 2,000 individuals actively seeking employment. Potential companies are unlikely to engage the necessary amount of individuals by recruiting solely from the unemployed population within the 15-mile radius. This is based on the assumption that a significant proportion of individuals actively seeking a job (i.e., unemployed) would need to be interested, qualified and eligible for employment in order for a company to meet its hiring needs. For obvious reasons, potential companies would not be limited to hiring unemployed workers as the wage and opportunity may entice individuals currently employed to change jobs or may be attractive to individuals seeking part-time employment.

Recognizing the difficulties associated with this small population, potential companies could expand their recruitment of employees beyond the 15-mile radius. Based on available data, the unemployment rate increases by approximately 1.4% for the 30-mile radius and 1.9% for the 45-mile radius. Furthermore, the number of unemployed individuals increases about 3 times by concentrating on a recruitment area that is 15 miles larger (i.e., the 30-mile radius) and nearly 6 times at the 45-mile radius. It becomes more reasonable when the demand for so many workers is a smaller percentage of the unemployed population as it would be within the 30- and 45-mile radii, compared to the higher proportion that would be evident in the previous model of a 15-mile radius. The probability of a potential company finding qualified workers becomes higher as the potential population increases.

By expanding the reach to a 30-mile radius, the size of the labor force, individuals working or actively seeking employment, increases from 61,000 to 125,000.

Population	15 Miles	30 Miles	45 Miles
Unemployment Rate	3.92%	5.35%	5.77%
Civilian Employed	58,504	118,567	223,842
Civilian Unemployed	2,390	6,717	13,729
Total Labor Force	61,043	125,479	237,873

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In 2006, the combined labor force in a 30-mile radius of the centralized location in Centre County was 125,479, representing about 59% of the population over the age of 16. The civilian unemployment rate for the radius is 5.35%, which is slightly lower than the statewide average of 5.54%.

Educational Attainment:

High school graduates continue to account for the highest percentage among educational attainment levels in and around the Central WIA. The following chart demonstrates the number of individuals within each of 7 educational attainment levels within 15, 30 and 45 miles of the centralized location in Centre County. While this data does not distinguish between those individuals who are in the labor force and those that are neither employed nor actively seeking employment, it illustrates that worker availability according to educational attainment increases significantly as the distance from the location increases.

Population	15 Miles	30 Miles	45 Miles
Less Than 9th Grade	2,153	7,355	15,992
9th to 12th Grade No Diploma	5,188	16,623	37,524
High School Graduate	24,718	72,796	154,634
College, No Diploma	10,823	21,783	42,033
Associate Degree	4,134	9,748	19,464
Bachelor's Degree	16,869	24,946	37,920
Graduate or Professional School Degree	15,512	19,936	26,691

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As previously described, high school graduates make up the largest portion of the population ages 25 years and older. The number of graduates increases nearly 3 times when drawing on a 30-mile radius and over 6 times at the 45-mile level. Similar population growth is seen in those who have some postsecondary educational experience.

Within 30 miles of the centralized location, 42% of the population over the age of 24 has earned a high school diploma. An additional 44% has at least some college experience, but only 32% of the population over the age of 24 has earned a college degree. The statewide average is 40% with a high school diploma and 48% with some college experience.

Age Distribution:

The following chart demonstrates the number of individuals within each of 6 age categories within 15, 30, and 45 miles of the centralized location in Centre County. While this data does not distinguish between those individuals who are in the labor force and those that are neither employed nor actively seeking employment, it illustrates that worker availability according to age increases significantly as the distance from this location increases.

Age Group	15 Miles	30 Miles	45 Miles
0-19	25,542	57,522	114,458
20-29	32,764	51,357	82,691
30-39	19,302	37,237	65,795
40-49	14,183	33,478	67,869
50-64	16,159	40,892	85,832
65+	12,309	34,236	72,465

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Within 30 miles of the centralized location in Centre County, 23% of the population is under the age of 19. Furthermore, an additional 13% has reached the retirement age of at least 65, and an additional 16% of the population will reach retirement age over the next 5 to 15 years.

Industry Employment:

The following chart identifies the top 10 employing industries within 30 miles of the centralized location in Centre County (values are sorted according to the 30 mile radius, but employment values are presented for the 15- and 45-mile radii). It is important to note that employment values are based on the area of residence and not the area of work.

Industry	15 Miles	30 Miles	45 Miles
Educational services	16,568	23,145	31,395
Manufacturing	5,511	18,913	41,310
Retail trade	5,684	13,201	26,879
Health care and social assistance	4,214	10,423	23,341
Accommodation and food services	5,544	8,666	14,524
Construction	2,390	6,384	13,825
Other services (except public administration)	1,969	4,544	9,717
Professional scientific and technical services	3,104	4,476	6,909
Public administration	1,830	4,397	9,380
Transportation and warehousing	1,211	3,805	9,319

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These 10 industries account for approximately 86% of all employment within 30 miles of the centralized location in Centre County. Similar trends are apparent for the 15- and 45-mile radii. Within the 30-mile radius of the centralized location in Centre County, 20% of all employees are working in the education services industry, with an additional 17% employed in manufacturing. Other top employing industries include retail trade (12%), health care and social assistance (9%), and accommodation and food services (8%).

Class of Worker

The following chart identifies the class of worker for individuals ages 16 and over within 15-, 30-, and 45-miles of the centralized location in Centre County.

Class of Worker	15 Miles	30 Miles	45 Miles
Federal government workers	2,834	6,633	13,231
Local government workers	8,803	13,163	18,845
Private Company Employees	833	1,671	3,400
Private Nonprofit Wage/Salary Workers	2,429	5,507	10,742
Self Employed in Own Corp	7,968	12,772	22,364
Self Employed, Not Incorporated	159	307	586
State government workers	868	1,648	3,571
Unpaid family workers	16,087	33,152	64,963

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At the 30-mile radius, 44% of workers over the age of 15 are categorized as “unpaid family workers.” Furthermore, 17% fall into the “self employed in own corporation” bracket. An additional 29% work for the government, about 9% at the federal level, 2% at the state level, and 18% at the local level.

Blue Collar Workers

At the 30-mile radius, approximately 43% of all workers are employed in “blue collar” occupations. The following table identifies the top 5 blue collar jobs based on 2000 employment estimates within 30 miles of the centralized location in Centre County (values are sorted according to the 30-mile radius, but values are presented for the 15- and 45-mile radii).

Blue Collar Occupations	15 Miles	30 Miles	45 Miles
Production occupations	2,923	11,188	25,141
Food preparation and serving related occupations	4,663	7,757	13,329
Construction trades workers	1,693	5,051	10,999
Material moving workers	1,280	4,948	11,067
Installation maintenance and repair occupations	1,304	4,069	9,287

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At the 30-mile radius, these 5 occupations account for nearly 68% of all blue collar employment. Production occupations account for 23%, while food preparation and serving related occupations comprise about 16% of all blue collar jobs. Furthermore, construction trades workers and material moving workers each account for about 10%, and installation maintenance and repair occupations account for about 8% of all blue collar jobs.

White Collar Workers

At the 30-mile radius, approximately 57% of all workers are employed in “white collar” occupations. The following table identifies the top 5 white collar jobs based on 2000 employment estimates within 30 miles of the centralized location in Centre County (values are sorted according to the 30-mile radius, but values are presented for the 15- and 45-mile radii).

White Collar Occupations	15 Miles	30 Miles	45 Miles
Office and administrative support occupations	7,845	15,685	30,761
Sales and related occupations	5,279	10,670	20,989
Education training and library occupations	7,660	10,651	15,608
Management occupations except farmers & farm managers	3,878	6,872	12,173
Health diagnostic & treating practitioners & technical occupations	1,273	2,709	5,910

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At the 30-mile radius, these 5 occupations account for over 71% of all white collar employment. Office and administrative support occupations account for 24%, while sales and related occupations comprise about 16% of all white collar jobs. Furthermore, education training and library occupations account for 16%, management occupations account for 11%, and health diagnostic and treating practitioners and technical occupations account for 4%.

Commute Times:

Based on 2000 Census results, the median travel time to work by individuals ages 16 and over within 30 miles of the centralized location in Centre County was 17.74 minutes. The following chart demonstrates the number of workers who travel to work within each of 6 time categories in the areas surrounding this location.

Travel Time to Work	15 Miles	30 Miles	45 Miles
0-9 Minutes	11,342	22,624	43,930
10-19 Minutes	22,973	40,098	75,413
20-29 Minutes	10,101	19,677	39,455
30-39 Minutes	4,516	12,130	22,901
40-59 Minutes	2,882	9,969	17,415
60 or more Minutes	1,692	5,256	13,079

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It is apparent that a majority of workers are willing to travel 10 to 19 minutes to work. In fact, approximately 37% of all workers in the 30-mile radius travel for an average of 10 to 19 minutes. Furthermore, about 75% of all workers travel less than 30 minutes to work in this radius. Similar trends are apparent in each radius.

Conclusion:

This data is meant to provide potential companies with a snapshot of how their workforce demands can be met by extending recruitment beyond a 15-mile radius. The data is in no way a guarantee that individuals are available or interested in working for their company; rather, the data illustrates the availability of individuals who may meet the basic characteristics sought in new hires. While this analysis was based on an arbitrarily chosen point in Centre County, specific locations can be selected for more appropriate information in this county as well as other areas throughout the Central Workforce Investment Area.