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Omaha Area Clerical Labor Market Analysis

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OMAHA AREA CLERICAL LABOR MARKET ANALYSIS
INTRODUCTION

This report represents an attempt at determining the potential number of clerical workers and provides estimates for their availability that a new employer could expect from the Omaha area labor market. Data used in the calculations are the most recent available and are noted throughout the report.

The analysis looks at the maximum number of candidates in a variety of potential sources of labor and adjusts each category by a given percentage based on other known factors. Thus, a "total number of workers available" and a "projected number of clerical workers available" are determined.

Estimates: Omaha SMSA

<table>
<thead>
<tr>
<th>Labor Source</th>
<th>Total Workers Available</th>
<th>Projected No. of Clerical Workers Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Unemployed</td>
<td>17,282</td>
<td>2,974(2)</td>
</tr>
<tr>
<td>(1) June, 1983, Omaha SMSA unemployment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Dept. of Labor, Profile of Active Applicants, June, 1983 indicates 2,974 individuals classified as having clerical skills of total active applicant file of 17,282 or 17.2% (17.2% x 17,382).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>II. New Entrants from Eight Major Area High Schools</td>
<td>7,629(3)</td>
<td>2,594(4)</td>
</tr>
<tr>
<td>(3) Current year number of high school graduates from eight major public and private high schools in immediate Omaha area. Does not include several smaller public and private institutions within Omaha.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Current statistics indicate approximately 66% of the high school graduates go on to some form of higher education. Therefore 34% will immediately enter the work force (34% x 7,629).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>III. Post-secondary New Entrants</td>
<td>4,099(5)</td>
<td>820(6)</td>
</tr>
<tr>
<td>(5) Current year number of graduates from six major four-year and two-year institutions within immediate Omaha area. This does not include graduates from 17 business and secretarial schools and 22 industrial and trade schools within Omaha.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6) Many students are trained for specific vocations outside of the insurance field, so an estimate of 20% was used to calculate the number of individuals who may be interested in a vocation in clerical work (20% x 4,099).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
IV. Under-employed  

(7) Studies and local employer experience show a new employer can expect a number of employees to come from other employers where his or her skills are not being used to the maximum. Applying the studies' methodologies to Omaha's current situation, one can constructively estimate Omaha's under-employment to be approximately 7.5% of the current work force (7.5% x 273,440).

(8) The under-employed skill profile is similar to the unemployed. A minimum 17.2% of the under-employed would be classified as clerical (20,500 x 17.2%).

V. Re-entrants  

(9) The Nebraska Department of Labor, Omaha office, has completed a profile based on the last 12 months of experience which indicates that 2,000 to 3,000 individuals re-enter the work force each month. These are typically individuals such as those who have raised a family to a given age and wish to work again, returned from an illness, students, discouraged workers, or displaced homemakers.

(10) Assuming the skill profile of this category to be similar to that of the unemployed, a factor of 17.2% was used to obtain the number who have clerical skills (24,000 x 17.2%).

VI. Commuters

The following calculations are based on the assumption that the work force profile and work habits of the area work force will parallel that of the Omaha work force and that many local employers have employees who commute to Omaha.

Population within 50 mile ring of Omaha  
Omaha SMSA population (1980 Census)  
Population outside Omaha SMSA but within 50 miles of Omaha  
Omaha work force (June, 1983)  
Omaha work force participation rate  
Work force outside Omaha SMSA but within 50 miles of Omaha

\[
\begin{align*}
\text{Population within 50 mile ring of Omaha} & = 994,100 \\
\text{Omaha SMSA population} & = 570,000 \\
\text{Population outside Omaha SMSA but within 50 miles of Omaha} & = 424,100 \\
\text{Omaha work force (June, 1983)} & = 273,440 \\
\text{Omaha work force participation rate} & = .48 \\
\text{Work force outside Omaha SMSA but within 50 miles of Omaha} & = 203,568 \\
\end{align*}
\]

\[
\begin{align*}
\text{Estimates: Potential Commuters from Area Outside Omaha SMSA but Within 50 Miles of Omaha} \\
\text{Total Workers Available} & = 203,568 \\
\text{Projected No. of Clerical Workers Available} & = 203,568 \\
\end{align*}
\]

Labor Source | Total Workers Available | Projected No. of Clerical Workers Available
--- | --- | ---
I. Unemployed | 11,603(11) | 1,996(12)

(11) Total work force outside Omaha SMSA times Nebraska June, 1983 unemployment rate (203,568 x 5.7%)

(12) Assuming the same ratio of clerical skills to total unemployed (11,603 x 17.2%)
II. Under-employed

13,639(13) 2,346(14)

(13) Using same methodology as described (7) (203,568 x 6.7%)
(14) Using methodology as described (8) 17.2% x 13,639

III. New Entrants

5,676(15) 1,930(16)

(15) Estimate obtained by comparing ratios of high school graduates in Omaha and total population in Omaha SMSA compared to total population outside of Omaha SMSA.

\[
\begin{align*}
7,629 &= X \\
570,000 &= 424,100 \\
7,629 + 570,000 &= X + 424,100
\end{align*}
\]

(16) Area statistics indicate 66% of high school graduates go on to some form of higher education. Therefore 34% annually seek jobs in the area (34% x 5,676).

IV. Re-entrants

17,857(17) 3,071(18)

(17) Estimate obtained by comparing ratios of Omaha SMSA re-entrants and total Omaha SMSA population compared to total population outside of Omaha SMSA.

\[
\begin{align*}
24,000 &= X \\
570,000 &= 424,100 \\
24,000 + 570,000 &= X + 424,100
\end{align*}
\]

(18) Calculated by using the same clerical skill ratios as described in 10.

\[(17.2\% \times 17,857)\]

TOTALS 123,901 23,385

CONCLUSION

The Omaha area population base has over the years demonstrated that they want to work and will seek out new employers as they move into the city. The above analysis demonstrates that a sufficient labor base exists for new business and industry to locate here. This does not take into account the immigration that may occur as a result of future developments, transfers, etc.

Local employers and other new employers will be adding individuals to their payrolls as the economy improves. To estimate the impact this may have on the pool of clerical/white collar employees, an analysis was made of the total employment growth Omaha has had over the last five years. The maximum growth in any one year was 10,898 jobs. This was the total number for all
seven major employment categories (construction, mining, manufacturing, etc.). Assuming the employment profile is similar to the unemployment profile, 17.2% of the total employment growth will involve clerical skills. Therefore, based on actual historical patterns, the maximum amount the expected pool would be reduced due to growth in existing and new employers is estimated to be 1,874 individuals (10,898 x 17.2%).

The resulting pool would still provide a new employer with over 21,521 individuals as potential employees (23,395 - 1,874). All of the above calculations have been done using the conservative estimates in each source category.

The analysis yielded over 123,900 individuals on a total basis and 21,521 individuals on a more conservative, projected basis. In conclusion, a new office employer, employing 400 individuals in the first year, would have a selectivity ratio of 53.8. Recognizing that some individuals with clerical skills may not wish to work in an office environment, a new office employer could still expect a 16 to 1 selectivity ratio even if only 30 percent of the persons with clerical skills wish to pursue clerical work in an insurance office.