



## **Business Support Services Labor Market Analysis Northwest Mississippi**

Younger Associates (YA) has evaluated the Northwest Mississippi labor market from the viewpoint of a business support operation seeking to locate in the market. The Northwest Mississippi labor market is comprised of five Mississippi counties: Tunica, DeSoto, Marshall, Benton and Tate.

In addition, Northwest Mississippi draws a significant portion of the workforce from Memphis, Shelby County, TN. This assessment provides the potential labor yield for the five counties in Mississippi as a stand-alone market, and for the six counties including Shelby County which is the functional labor market area.

During 2015, YA completed a comprehensive workforce survey and analysis for the labor market. The survey of the workforce was conducted in sufficient depth to yield a 95% confidence factor and a  $\pm 4\%$  margin of error.

In this labor yield evaluation, we draw from the in-depth primary data that was collected in the survey analysis and combine it with the most current data from the Mississippi Department of Employment Security and the U.S. Bureau of Labor Statistics. Data was also used from licensed, proprietary sources such as Claritas and EMSI.

Younger Associates specializes in research for economic development. The firm has pioneered many innovative economic development studies and has developed a workforce survey process that provides highly reliable data that includes all sectors of the workforce. YA is nationally recognized for the quality of the firm's work in analyzing labor market dynamics. The firm's workforce data has been utilized in successful location decisions for businesses across the U.S.

### **Business Support Services Workforce Availability**

As the first step in determining workforce availability, the occupations most in demand nationally by the business support industry were identified. A list of the top 50 in-demand occupations for the business support services sector was compiled from national data reported by the Bureau of Labor Statistics, May 2015 Occupational Employment Statistics.

The annual employment demand, wage data, location quotients and other occupational characteristics were compiled for each occupation. Applying data developed from the workforce survey, a labor yield table was developed to project the number of qualified applicants a Business Support operation could expect to hire from the Northwest Mississippi labor market (NW MS).

## Key Findings

- This analysis finds that a business support services employer, providing locally competitive wages and benefits, locating in Tunica, DeSoto, Marshall, or Benton counties could expect to find 1,146 qualified skilled manufacturing applicants residing in the five-county Mississippi portion of the labor market. The number of qualified skilled applicants totals 11,160 when the portion of applicants residing in Shelby County, TN, and willing to commute, is included.
- The NW MS average wage (\$20.09) for the top 50 business support services occupations is 18.2% lower than the national average wage (\$23.75) for these workers.
- There are twenty-one colleges, universities and other post-secondary training providers in the six-county labor market that offer training programs that directly support motor vehicle parts manufacturing occupations.
- In 2014, these higher education training providers produced 2,101 graduates or certifications from programs related to the top 50 occupations in business support services. The annual new talent pipeline is strong.
- The largest cohort of qualified applicants come from those workers who are currently underemployed and have previous experience in a manufacturing environment. This is due to the situation that the regional economy has not returned to the peak employment levels of 2007. Many workers have accepted lower skill level employment.

# Northwest Mississippi Labor Market

## Estimated Labor Supply for a Business Support Services Company

*The five-county labor market area includes Benton, DeSoto, Marshall Tate and Tunica Counties in Mississippi.*

*Excluding Retail, Specialized Medical & Legal Occupations*

### 5-County Labor Market Area

1	Potential underemployment yield	1,937
2	Not employed, but interested in employment	282
3	New labor force entrants	328
4	Total potential applicants	2,547
5	<b>Qualified Applicants</b> for skill mix	1,146
6	Commute Propensity	87.6%
7	Qualified Applicants Willing to Commute	1,004
8	<b>1 in 3 selectivity ratio</b>	335
9	<b>1 in 5 selectivity ratio</b>	201

#### Explanatory Notes

- 1 Individuals currently working, but possess skills for higher employment levels in the specified occupations. From the labor study, 23.2% of those currently employed report they are underemployed with higher skill levels than the job they currently hold requires.
- 2 Based upon those not currently working, but interested in finding employment (unemployed, separating military, workers returning to the workforce after an absence, but not in the official unemployment count) with an assumed rate of experience in the specified occupations at the ratio of those currently employed.
- 3 Growth component to account for new entrants into the labor force. Includes recent postsecondary completions and new residents that are likely to apply for positions within the specified industry.
- 4 Total eligible population.
- 5 Number of applicants shown in line 4 passing initial screening and offered an interview. The actual percentage will vary according to the skills required by the operation. It is assumed 45% would be qualified for the mix of jobs available.
- 6 Based upon the current commute patterns.
- 7 Number of applicants that are qualified for employment and either live in the Shoals region or would be willing to commute to area for employment.
- 8 The number of employees an employer could hire assuming a selectivity ratio of one hire per three applicants.
- 9 The number of employees an employer could hire assuming a selectivity ratio of one hire per five applicants.

*Source: Calculations by Younger Associates based upon data from BLS, IPEDS, 2015 Labor Study.*

# Northwest Mississippi Labor Market

## Estimated Labor Supply for a Business Support Services Company

*The six county labor market area includes Benton, DeSoto, Marshall Tate  
and Tunica Counties in Mississippi and Shelby County, Tennessee*

*Excluding Retail, Specialized Medical & Legal Occupations*

### 6-County Labor Market Area

1	Potential underemployment yield	19,915
2	Not employed, but interested in employment	2,575
3	New labor force entrants	2,311
4	Total potential applicants	24,801
5	<b>Qualified Applicants</b> for skill mix	11,160
6	Commute Propensity	65.0%
7	Qualified Applicants Willing to Commute	7,254
8	<b>1 in 3 selectivity ratio</b>	2,418
9	<b>1 in 5 selectivity ratio</b>	1,451

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