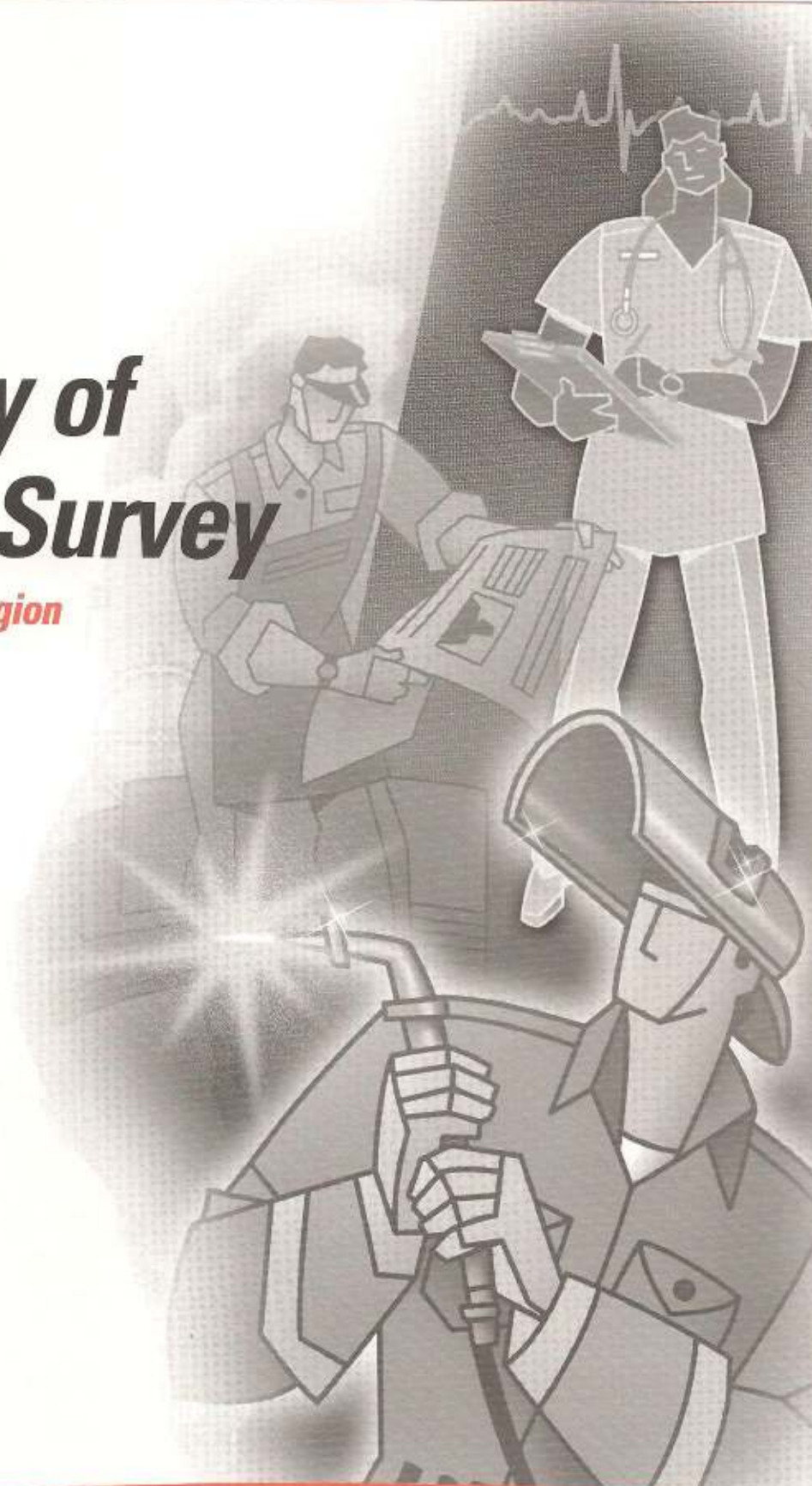




Quality of Labor Survey

West Central Region

An Ameren Report
Prepared By
The Rural Economic
Technical Assistance Center
(RETAC)



SUMMARY REPORT

QUALITY OF LABOR SURVEY

Introduction

In the development arena of industrial retention and expansion the availability and quality of labor remains a key issue. Recently a very tight labor market has increased the necessity of a close examination of labor issues. There are many reports by various State and Federal agencies profiling traditional labor market issues such as employment and unemployment rates, labor rates, and total workforce. This report addresses the quality issue that is not covered in secondary sources.

A strong industrial sector is the foundation of an area's economic health. Industrial presence within a region remains essential to providing quality jobs and incomes for residents. The 1999 Quality of Labor Survey is a continuation of two earlier Ameren sponsored surveys -- 1993 and 1996 -- and is intended to assist local developers in marketing the region.

This year's report aggregates the responses of 45 firms with total hourly employment of approximately 6,000. The regional area was expanded to include the counties of Knox, Warren, and Henderson, which is the same geography covered by the Western Illinois Corridor Council, a consortium of development professionals in west central Illinois collaborating to better develop the region. The Council recently published a comprehensive directory of manufacturers in the region. It was from this directory that the survey mailing list originated. The authors wish to thank the Western Illinois Corridor Council for this valuable input.

In 1999, the number of respondents increased dramatically over previous years. This is partly due to adding three counties to the region and partly due to increased awareness of the benefits of a regional approach to development efforts. With a response rate of 28% (a total of 45 firms) the survey gives an excellent representation of the region.

Report Highlights

Averages, as measured against the 1996 survey, depict a worker still 39 years old, high school educated or slightly better and with the company 10 years compared to 7 three years ago. Non-union hourly workers went from 70% in 1996 to 86% in 1999, while wages averaged \$10.11, down from \$10.65, while turnovers went up from 2.7% to 8.0%.

Using a subjective rating scale to determine workforce characteristics gave an above average satisfaction rating very comparable to the 1996 results. It appears that the regional workforce is meeting or exceeding the expectations of manufacturing employers.

SURVEY RESULTS

EMPLOYMENT PROFILE

Responses

Quality of Labor Surveys were returned by 45 of 162 firms. This is a 28% response rate of firms surveyed.

Employment Components

Firms employed a total of 5,178 persons with an average of 115 employees per firm.

- 4,673 - Full-time
- 231 - Part-time
- 1,263 - Salaried personnel
- 274 - Temporaries

Years at Location

Time at the present location averages 23 years. Cooper Power Systems has been in business for almost 90 years.

WORKER PROFILE

Worker Characteristics

Average employee age is 39 years of age. Length of full-time employment was 12 years on average. The average worker has a high school diploma.

Hourly Wage

The average hourly production wage is \$10.11.

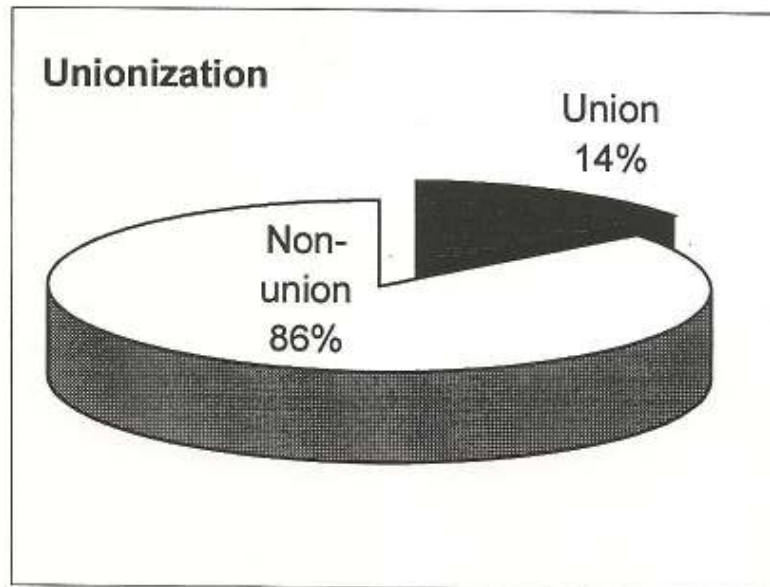
Shift Differential

Differential reported average additional hourly rates:

- Second shift \$0.21
- Third shift \$0.24

Unions

A total of 609 of the 4,673 full-time workers represented in the survey, were reported as full-time union employees, an average of 14%.



Absenteeism

The average of reported rates over the past 12 months is 4.4%.

Turnover Rate

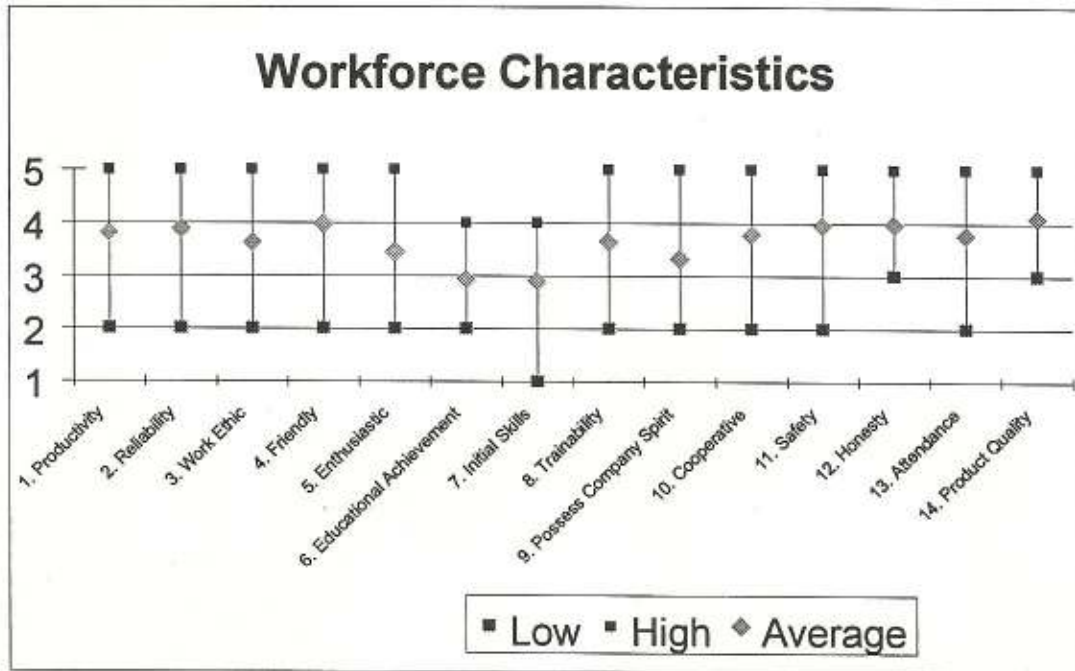
The average annual turnover rate was 8%. Highest rates were in textile mill products and miscellaneous manufacturing industries.

Education Tuition

- Tuition assistance was reported by 48% of 42 firms.
- Participation rates among firms offering tuition reimbursement ranged from 2% to 20%.
- Firms located in larger cities with community colleges such as Galesburg, Macomb, and Quincy had the highest participation rates.

WORKFORCE RATING

Firms were asked to rate 14 quality aspects of their workforce in an effort to quantify some characteristics of the local workforce. Scaling responses from one to five, three represents average expectations by employers of the workforce employed. A summary of the results is represented in the chart below.



TRANSPORTATION

Commuting

- More than 60% of all employees travel less than 10 miles from home to work.
- Approximately 30% travel 11-30 miles.
- 10% have a trip of more than 30 miles.

BENEFITS

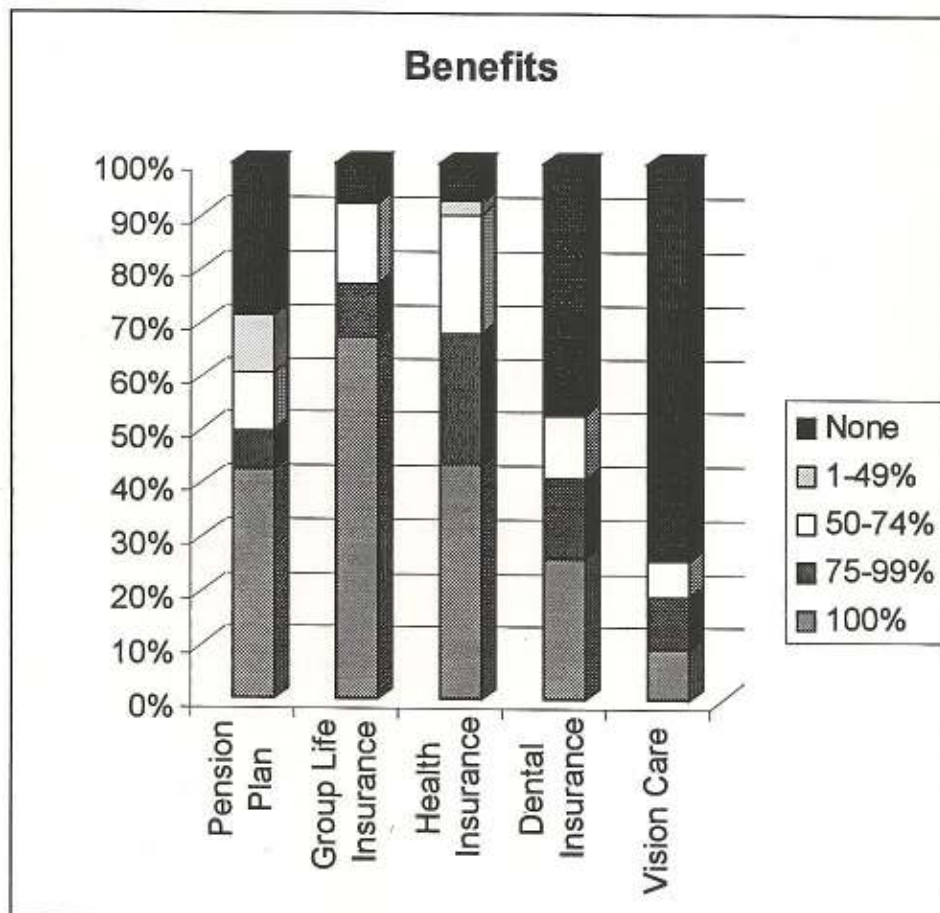
Benefit Programs

Most firms, 71%, provide some contribution to an employee pension plan. The majority of respondents provide group life insurance. Most (68%) cover 100% of the cost. Health insurance is provided by 93% of employers responding, with 68% of employers covering at least 75% of the cost. In addition, 80% offer dependent health coverage.

Approximately 50% of respondents offer some form of dental insurance, and 1 in 4 employers offer vision insurance.

Number Responding	Benefit	Employer Contribution*				
		100%	75-99%	50-74%	1-49%	None
30	Pension Plan	43.3%	6.7%	10.0%	13.3%	26.7%
42	Group Life Insurance	69.0%	9.5%	14.3%	0%	7.1%
43	Health Insurance	41.9%	25.6%	23.3%	2.3%	7.0%
36	Dental Insurance	25.0%	13.9%	11.1%	0%	50%
33	Vision Care	9.1%	9.1%	6.1%	0%	75.8%

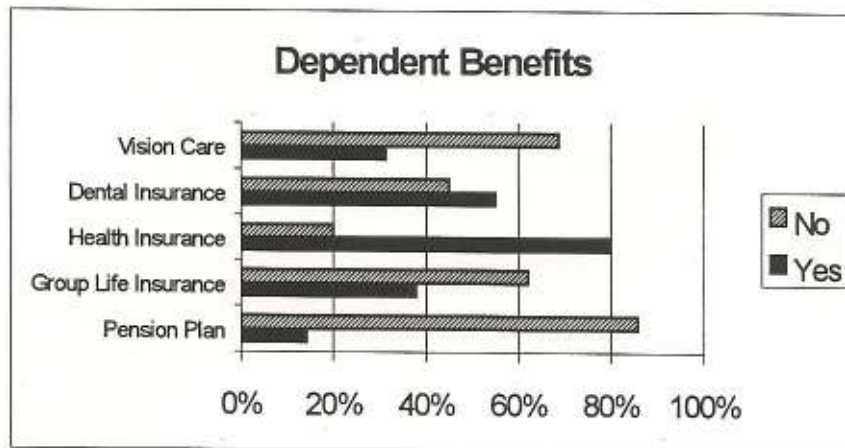
* % = % of those responding



Benefit Programs Continued

Number Responding	Benefit	Dependent*	
		Yes	No
21	Pension Plan	14.2%	85.8%
29	Group Life Insurance	37.9%	62.1%
30	Health Insurance	80%	20%
20	Dental Insurance	55%	45%
16	Vision Care	31.3%	68.7%

* % = % of those responding



Employer Contribution Percentage

- A 401K plan was offered by 56% of 44 respondents.
- Estimated average employer dollar contribution for benefits, as a percentage of wages, is 22%.
- Average number of paid holidays per year is 8.43.

TRAINING

More than 55% of the 45 respondents do not have a formal training program. Nearly 60% are currently participating in outside training programs. Employee referral is the most successful way of recruiting hourly employees. More than half of all respondents are interested in implementing programs to increase worker skills. When preparing to hire, most respondents have sufficient applicants on file. The average respondent has to test less than 15 applicants to fill five positions.

