

# **SURVEY OF LEA COUNTY EMPLOYERS**

Report to the Lea County Community  
Improvement Corporation

November 13, 2007

UNIVERSITY OF NEW MEXICO

BUREAU OF BUSINESS AND  
ECONOMIC RESEARCH



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Dr. Lee A. Revnis

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## EXECUTIVE SUMMARY

The Bureau of Business and Economic Research (BBER) at the University of New Mexico (UNM) surveyed businesses in Lea County as part of a project to analyze the changing economy of Lea County and the surrounding area and to develop new economic forecasts and population and demographic projections for the area. The survey, conducted by mail and supplemented by a telephone survey, queried businesses about the overall business climate but focused on current and future workforce requirements and these relative to the size, education and training, and skill levels of the existing labor pool.

Lea County and surrounding areas are areas of labor shortage. Concerns about finding and keeping qualified workers dominate the concerns expressed by local businesses both in the mail survey and in telephone interviews. Despite the labor challenges, very few of responding businesses indicated plans to scale back operations, and many were planning to expand. When weighted by firms size and industry, the responses suggest that as many as 68 percent of Lea County employers expect to expand in the coming year, with 29 percent having detailed plans for that expansion.<sup>1</sup> Interestingly, a large proportion of those businesses planning to expand have high levels of satisfaction with the work ethic and habits of those they have hired locally.<sup>2</sup> Many businesses have plans to expand but realizing these plans depends critically on finding (and keeping) a suitable workforce, in terms of education, training and experience.

The pool of people looking for employment is small. Employers made comments to the effect that everyone who wants to work in Lea County is already working. They discussed how many of the people looking for work are young and just out of high school, lacking formal training and experience as well as commitment.

Again reflecting the limited size of the pool of people looking for work, a number of respondents considered substance abuse to be a very serious problem. They talked about how many job applicants cannot pass a drug test, making them ineligible for hire. Testing for drugs is viewed as burdensome and expensive and can have the additional risk that tests on existing employees will yield positive results.

The lack of housing came up again and again. Some employers will not advertise outside the county because those attracted will not be able to find a place to live. The housing situation poses a real dilemma for businesses that need workers with educational credentials and skills not found in the area.

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<sup>1</sup> For our purposes, “expanding” is defined as increasing facility capacity and/ or hiring additional employees.

<sup>2</sup> About 40% of expanding firms rated their satisfaction as a 4 or a 5, while 22 – 23% gave a rating less than 3. It appears that expanding firms may have high levels of satisfaction with their existing workforce but difficulties finding comparable workers in the local pool.

Oil is booming in Lea County and jobs in the oil fields pay well -- significantly more for workers with minimal education and skills than other industries. Hard hit is the construction industry, where there is talk of having a team of workers stolen right off a work-site, but low wage industries like retail and leisure and hospitality are also hard-pressed to meet their labor needs. Meeting demand in an expanding market with a limited local workforce means lots of overtime, especially in the oil industry, in construction and in retail trade.

The study's respondents revealed many strategies for meeting labor needs. Advertising was the most commonly used approach to recruit potential employees, but much recruitment is done informally, through word-of-mouth, including referrals from current employees. In an effort both to attract employees and to retain an existing workforce, Lea County employers have been increasing wages and offering more generous benefit packages, but it is difficult to compete with wages paid in the oil fields. Businesses in the retail and hospitality industries have an especially hard time recruiting employees, as there are many other employment options that pay higher wages. Some businesses offer educational opportunities, like on the job training and certification classes.

Respondents to the mail survey had 445 positions that were currently vacant. When the responses are weighted up to the population, based on business size and industry, total vacancies are estimated at just under 2,200. BBER has some concerns that this number may be inflated by a response bias: those businesses with problems attracting or keeping workers may have been more likely to respond, and many of these businesses are having problems precisely because they are gearing up to expand their operations. Nevertheless, it is perhaps not surprising that retail trade accounts for the largest share (17%) of current vacancies in Lea County, with the mining industry a close second (17%), followed by leisure and hospitality and professional and business services (15%) and education, health care and social assistance (9%). Construction only accounts for 5% of the reported vacancies, the same percent as manufacturing. The mail-out survey did not include the construction contractor for the Uranium Enrichment Facility, nor that for the 500 MGW power plant. Together these two projects will have peak construction employment in the neighborhood of 1,000 jobs.

According to the survey results, businesses in all industries expect to increase their hiring over the next 5 years. Retail trade remains at the top in terms of anticipated positions to be filled, and retail's share of the total increases dramatically in the 3-5 year period. The leisure and hospitality industry anticipates considerable hiring over the next couple years, but not after that. These projections fit within the timeline of the NEF and 500 MWT power plant construction projects. Mining maintains the second highest percentage of openings in the 3 to 5 years period with 16 percent. These projections seem reasonable given current oil price forecasts and are consistent with what the larger players are saying.

The four occupational categories most in demand, currently and also over the next five years are:

- Transportation and material moving operative workers,
- Sales workers,
- Installation, maintenance, and repair craft workers, and
- All service workers (e.g., accommodations and food service, personal services and repair services).

Transportation and material moving operative workers – basically truck drivers and operators of heavy equipment -- have the highest number of vacancies and the vacancies are in several industrial sectors. Among the employers with vacancies, a high school degree and/or license or certification were the most important requirements for these positions. For drivers, the primary license requirement is a commercial driver's license (CDL).

Installation, maintenance and repair craft workers have similar education and training requirements as do transportation jobs, although a higher percentage of these jobs require more experience.

Sales and service worker jobs require significantly less education, training and experience than the other two categories already discussed.

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Billy Ulibarri assisted with the preparation of the application for the Internal Review Board. Billy also designed telephone survey, trained students in how to conduct the survey and monitored results. He worked with Lucinda on the analysis and write-up of survey results.

Guy Dameron coordinated efforts to get out the survey and other correspondence with Lea County businesses. We had a very high rate of non-deliveries and he assumed the task of researching mail addresses.

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We appreciate the many employers who took the time to respond thoughtfully to our questionnaire or to our telephone inquiries.

Finally, we wish to thank the Lea County Community Improvement Corporation for the funding that made this project possible. Special thanks to Dennis Holmberg for encouragement and thoughtful comments at all stages.

Lee A. Reynis

## **SURVEY OF LEA COUNTY EMPLOYERS**

The Bureau of Business and Economic Research (BBER) at the University of New Mexico (UNM) conducted a study of employers in Lea County, New Mexico in order to understand current business concerns and to evaluate current and future labor requirements as a basis for projecting future employment growth. Labor force requirements include availability and suitability, in terms of education, training, experience, and motivation. Employers in Lea County, and especially those who are trying to expand their operations, are concerned about having access to a growing pool of qualified workers.

### **METHODOLOGY**

Two approaches to surveying the employers in Lea County were applied. The first approach entailed a mail survey that covers questions on current and future operations, local business climate, and current and future labor requirements. The second approach supplements the mail survey by interviewing by phone large businesses that had not yet had a chance to respond to the mail survey. The phone survey addressed primarily the area of current and future labor requirements. Copies of the mail and phone survey may be found in Appendix.

#### **Sampling Methodology for Mail Survey**

To draw a sample from the most complete listing of firms in Lea County, BBER utilized the NM Department of Labor ES-202 employer file, which is maintained to administer the unemployment insurance program.<sup>3</sup> The most recent year that BBER could reference at the time of the survey was 2005. The number of businesses in Lea County reporting employees in 2005 was 1,488.

The population of 1,488 employers in Lea County was divided into five strata based on the average number of employees for the firm in 2005. The five strata by number of employees are as follows:

- 1 to 4 employees
- 5 to 9 employees
- 10 to 24 employees
- 25 to 99 employees
- 100 or more employees

The businesses were sorted by size in order to target larger employers, as their employment decisions can have a disproportionate impact on employment patterns of Lea County. The sampling rate for the two largest strata, those with 25 to 99 employees and those with 100 or more employees, was 100 percent. The sampling rate for the mid-size firms, 10 to 24 employees was 54 percent. The sampling rate for businesses with 5 to 9 employees was 42 percent. Finally, for the smallest

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<sup>3</sup> BBER has access to these individual records under a confidentiality agreement with NMDOL.

employers, the sampling rate was 23 percent. One exception to these sampling rates is the mining industry. This industry has the largest percentage of firms in Lea County. The sampling rate for mining firms was set independently of the strata to ensure a more complete representation of all industries in Lea County.

BBER randomly drew a sample of 600 firms from their five strata based on the above sampling rates. The firms were then divided by their strata and their industry NAICS code to insure complete coverage of firms by industry.<sup>4</sup>

As a major objective of the survey is to collect data to be used in projecting future employment trends in the Lea County economy, BBER is interested in smaller businesses with considerable growth potential. Using the ES-202 data, we compiled a list of businesses with 10 to 24 employees that showed 25% or more growth in employees from 2002 to 2005. Sixty-six businesses were identified, of which 32 had already been randomly chosen for the sample. The remaining 34 were then added, increasing the sample to 634 employers. Each of these 634 firms was mailed an employer survey.

### **Mail Survey Implementation/Data Collection Process**

BBER distributed the survey in four phases. First, an announcement postcard was mailed to the original 600 firms in the sample on December 8, 2006. The postcard briefly explained the nature of the project and notified business owners/ managers about the upcoming survey. Second, the survey was sent to the original 600 firms in the sample on December 14, 2006. On January 19<sup>th</sup>, the third phase included a second mailing to those who had not yet responded, and a first mailing to the additional 34 firms who were identified as showing 25 percent growth in employees. Finally, during the first week of March, BBER staff contacted large firms of 25 employers or more and the firms with 25 percent growth to encourage them to complete the survey.

There were problems with the mailing list, and a large number of surveys were returned undelivered, with the majority marked, "No Mail Receptacle." As surveys were returned, a search for a correct mailing address was initiated. Efforts to find correct addresses included web searches, searches of the New Mexico Public Regulations database and telephone calls. If a new address or P.O. Box was found, the firm was mailed a new survey. If no address could be retrieved for the firm, the firm was replaced in the sample by a randomly selected replacement firm of the same size and industry as the original firm. The last date surveys were accepted was April 3, 2007 at which time 126 usable responses were received of the 634 mailed out – a response rate of 20%.

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<sup>4</sup> In two cases, industries were not properly represented, and a firm was randomly selected to be included in the sample within that industry. In addition, some of the outlets of one retail chain from one city were dropped randomly to avoid overrepresentation in the sample.

## Mail Survey Coverage

**Table 1** provides a comparison of the survey distribution of employers by industry to the underlying distribution of employers in the 2005 NM Department of Labor ES-202 employer file. Overall, the coverage is reasonable. Mining firms are under-represented -- by design, as explained above. Industries over-represented include construction (15.9 percent of respondents versus 9.7% of ES202 businesses), followed by transportation, warehousing, information services & utilities (7.1% versus 2.6%), education, health care & social assistance (12.7 % versus 8.3%) and professional and business services (11.9% versus 10.4%). In addition to mining, the underrepresented industries are finance, insurance & real estate (6.3% versus 8.8%) and Retail & Wholesale Trade (17.5.% versus 18.7%).

**Table 1: Industry of Respondents**  
Industry of Respondents

| Industry <sup>2</sup>                               | Survey Businesses |         | Lea County                                  |
|---|-------------------|---------|---|
|   | Frequency         | Percent | Industries <sup>1</sup> as Percent of Total |
| Mining  | 14                | 11.1%   | 19.5%                                       |
| Construction  | 20                | 15.9%   | 9.7%  |
| Manufacturing                                       | 4                 | 3.2%    | 2.4%  |
| Retail & Wholesale Trade                            | 22                | 17.5%   | 18.7%                                       |
| Transport., Warehousing, Info. Services & Utilities | 9                 | 7.1%    | 2.6%  |
| Financial, Insurance & Real Estate                  | 8                 | 6.3%    | 8.8%  |
| Professional & Business Services                    | 15                | 11.9%   | 10.4%                                       |
| Education, Health Care & Social Assistance          | 16                | 12.7%   | 8.3%  |
| Leisure & Hospitality                               | 9                 | 7.1%    | 8.6%  |
| Other services                                      | 9                 | 7.1%    | 8.8%  |
| Agriculture & Unclassified                          | 0                 | 0.0%    | 2.2%  |
| Total Responses                                     | 126               | 100%    | 100%  |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

1 – Based on annual averages for 2005 from New Mexico Department of Labor, *Quarterly Census of Wages and Employment*

2 – Firms are placed in industry by NAICS as found in the NM Department of Labor ES-202 employer file. Two firms are placed in industries based on self-reporting on the survey.

**Table 2** compares the size distribution of respondents with the underlying population of establishments. Respondents are well distributed across size categories. Establishments with 1 to 4 employees have the greatest under-representation, accounting for only 16.5 percent of the returned surveys but 23 percent of the total sample. By design, larger firms make up a larger percentage of the returned surveys than the total sample.

**Table 2: Size Distribution of Respondents**

| Number of Employees <sup>1</sup> | Frequency | Lea County Firm Size as Percent of Total |        |
|----------------------------------|-----------|--|--------|
|                                  |           | Percent                                  | Sample |
| 1-4                              | 20        | 16.5%                                    | 23.0%  |
| 5-9                              | 32        | 25.4%                                    | 21.8%  |
| 10-24                            | 35        | 27.8%                                    | 28.4%  |
| 25-99                            | 31        | 24.6%                                    | 22.4%  |
| 100 +                            | 8         | 6.4%                                     | 4.4%   |
| Total                            | 126       | 100%                                     | 100%   |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

1 – Based on annual averages for 2005 from New Mexico Department of Labor, *Quarterly Census of Wages and Employment*

Since the completed surveys were reasonably distributed both by industry and number of employees, BBER weighted the responses by those characteristics. Weighting the survey responses serves the purpose of relating the sample to the entire population of employers in Lea County. Every returned survey is viewed as being representative of a number of similar employers in the population who either did not respond to the survey or were not sent a survey.

In weighting a sample, one must be concerned about non-response bias, since the responses to survey will then not be representative of the underlying population of firms. While the telephone survey found no markedly different responses to key questions asked on the mail survey, there is reason to be concerned, both in the mail and in the phone survey, that businesses were more likely to respond if they had labor needs that could not easily be met in the current market. Thus, both surveys may have tapped a higher percent of businesses that either have been expanding or expect to expand operations over the next few years and are concerned about the availability of a labor force. The survey may also have attracted a higher number of responses from businesses that are today having a hard time even keeping the workforce they have. The pressures in Lea County are such, however, that there are abundant opportunities for expansion and a shared difficulty both in attracting good workers and keeping them. In short, the non-response bias may be relatively minimal, and the 126 firms that responded, in fact reasonably representative of the population of Lea County businesses.

### **Phone Survey Implementation/Data Collection Process**

On February 20, 2007, BBER researchers began interviewing larger businesses in Lea County about their current and future labor requirements. Priority was placed on businesses with over 100 employees that had not responded to the mail survey and then those with 24 to 99 employees.

Interviewers were given a random list of businesses and asked to call in any particular order they wished. One constraint in contacting businesses, and a potential source of bias, was obtaining a valid phone number. The other source of potential bias comes from which business representatives were willing to be interviewed. Repeated efforts were made to contact the appropriate person, but in a number of instances BBER was unable to start much less complete the interview.

The impact of these two sources of bias is probably minimal. Most phone numbers were located, and if a phone number could not be found, in all likelihood the firm has closed or moved. Willingness to be interviewed was not specific to any one industry or firm size.

The phone survey was targeted at large businesses and at growing businesses. **Table 3** presents data on the industries of respondents. All industries except the financial and real estate sector were covered. Higher rates of response were obtained from mining, trade, and leisure and hospitality, three industries under-represented in the mail survey responses. A total of 60 businesses were interviewed about their current and future labor needs. All those contacted were asked to complete the mail survey. Nine did and their responses are included in the 126 responses to the mail survey.

**Table 3: Phone Survey Coverage**

| Industry <sup>2</sup>                               | Phone Survey<br>Businesses |         | Lea County<br>Industries <sup>1</sup> as<br>Percent of Total |
|---|----------------------------|---------|--|
|   | Frequency                  | Percent |  |
| Mining  | 16                         | 26.7%   | 19.5%  |
| Construction  | 3                          | 5.0%    | 9.7%   |
| Manufacturing                                       | 3                          | 5.0%    | 2.4%   |
| Retail & Wholesale Trade                            | 16                         | 26.7%   | 18.7%  |
| Transport., Warehousing, Info. Services & Utilities | 4                          | 6.7%    | 2.6%   |
| Financial, Insurance & Real Estate                  | 0                          | 0.0%    | 8.8%   |
| Professional & Business Services                    | 1                          | 1.7%    | 10.4%  |
| Education, Health Care & Social Assistance          | 4                          | 6.7%    | 8.3%   |
| Leisure & Hospitality                               | 7                          | 11.7%   | 8.6%   |
| Other services                                      | 5                          | 8.3%    | 8.8%   |
| Agriculture & Unclassified                          | 1                          | 1.7%    | 2.2%   |
| Total Responses                                     | 60                         |         | 100%   |

Source: UNM Bureau of Business and Economic Research, Phone Survey of Lea County Firms, 2007

1 – Based on annual averages for 2005 from New Mexico Department of Labor, *Quarterly Census of Wages and Employment*

2 – Firms are placed in industry by NAICS as found in the NM Department of Labor ES-202 employer file. Two firms are placed in industries based on self-reporting on the survey.

## CURRENT AND FUTURE OPERATIONS

In an effort to learn about Lea County’s business climate, firms were asked to rank the greatest challenges currently facing their operations. **Table 4** lists the range of concerns listed in the survey and the percentage of firms ranking each category by first, second or third greatest challenge.

The greatest challenges facing Lea County firms are labor related. Of all firms, 36.1 percent identified their greatest challenge as “finding good workers and keeping them.” The percentage increases when looking across the top three challenges. Of firms, 70.2 percent of firms indicated “finding good workers and keeping them” was one of their top three challenges. The phone interviews gave similar results, putting labor concerns as the most significant. **Across the board, businesses in Lea County are concerned about sustained access to enough qualified and suitable employees, especially as they follow their plans to expand levels of operation.**

**Table 4: Major Challenges Facing Surveyed Businesses  
Weighted by Industry and Size**

| Challenges   | #1    | #2    | #3    | Total in<br>Top 3 <sup>1</sup> | Not in<br>Top 3 | Total |
|--|-------|-------|-------|--------------------------------|-----------------|-------|
| Keeping up with demand                             | 7.4%  | 7.3%  | 4.2%  | 21.2%                          | 78.8%           | 100%  |
| Increased Competition                              | 3.5%  | 3.8%  | 8.4%  | 16.4%                          | 83.7%           | 100%  |
| Facility costs                                     | 3.0%  | 2.4%  | 1.8%  | 7.2%                           | 92.8%           | 100%  |
| Slack demand                                       | 1.5%  | 0.6%  | 2.9%  | 5.0%                           | 95.0%           | 100%  |
| Cost of benefits                                   | 5.1%  | 14.0% | 11.9% | 33.5%                          | 66.5%           | 100%  |
| Availability of educated/skilled/experienced labor | 18.6% | 9.4%  | 5.2%  | 39.4%                          | 60.6%           | 100%  |
| Obtaining and/or costs of needed inputs            | 1.3%  | 0.0%  | 3.6%  | 5.0%                           | 95.0%           | 100%  |
| Cost and/or obtaining capital/financing            | 1.4%  | 1.4%  | 3.6%  | 5.2%                           | 94.8%           | 100%  |
| Boom & bust nature of local market                 | 2.5%  | 1.6%  | 8.1%  | 12.8%                          | 87.2%           | 100%  |
| Inadequate infrastructure                          | 1.0%  | 0.7%  | 0.7%  | 4.9%                           | 95.1%           | 100%  |
| Finding good workers & keeping them                | 36.1% | 21.0% | 6.7%  | 70.2%                          | 29.8%           | 100%  |
| Wage/salary costs                                  | 1.1%  | 6.7%  | 8.3%  | 17.2%                          | 82.8%           | 100%  |
| Availability of labor                              | 8.3%  | 16.9% | 7.4%  | 37.6%                          | 62.4%           | 100%  |
| Seasonal fluctuations                              | 0.9%  | 3.9%  | 2.8%  | 7.5%                           | 92.5%           | 100%  |
| Government regulations                             | 4.1%  | 0.9%  | 9.6%  | 17.1%                          | 82.9%           | 100%  |
| Other  | 1.3%  | 0.0%  | 1.9%  | 3.8%                           | 96.2%           | 100%  |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 99%, 125 of 126 firms

1. includes results for firms who did not put rankings but checked category

The second greatest challenge face by responding businesses was “Availability of educated/ skilled/ experienced laborers”. About 19 percent of businesses rated this as their number one challenge, and 39.4 percent listed this among their top three. As is explored in a later section, certain skills and certifications, like a Commercial Drivers License (CDL), are in greater demand than others. Moreover, many of the available workers are younger, often just out of high school. This poses a problem to businesses that need skilled or experienced employees now.

The third highest rated challenge was “Availability of labor.” About eight percent of firms rated this as their number one challenge, with 37.6 percent rated this as one of their top three challenges. Availability of labor is a general concern for most

businesses in Lea County, as several factors limit the number of available workers. For example, as a machine shop manager interviewed by phone noted,

*The pool of available workers is getting smaller and there are a lot of high demand jobs.*

Others observed,

*[There is]... an abundance of jobs, and not enough workers – the oil fields caused this – My company’s [retailer] jobs are part time and people want full time positions.*

*[There are] more jobs than people ... everyone is short handed... no one wants to work.*

While labor constitutes the paramount challenge, the majority of responding employers in Lea County indicate that operations will continue at current levels or even expand. **Table 5** presents the results. Less than one percent of the businesses indicated they would be shutting down and only 4.2% said they would be scaling back employment, while 27.2 % said they will continue operating at current levels, and 68.0% indicated plans to expand. A surprisingly high percentage (28.8%) indicated they had firm plans for expanding their current facility and/or employment.

**Table 5: Future Plans of Responding Businesses Weighted by Industry and Size**

| <b>Category</b>   | <b>Percent</b> |
|---|----------------|
| Will be closing down operations                           | 0.6%           |
| Plan to continue but scaling back employment              | 4.2%           |
| Plan to expand but no firm plans with facility/staff      | 39.2%          |
| Plan to expand with facility/staff changes                | 28.8%          |
| Plan to continue at current operation levels <sup>1</sup> | 27.2%          |
| Total   | 100%           |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 90%, 114 of 126 firms

1. This category was not listed on the survey. When completing the survey, firms clearly indicated they would operate at current levels.

Table 5 presented the overall distribution of employers in Lea County. **Table 6** presents the results by industry. All four of the responding manufacturing firms indicated plan to expand although none had “firm plans”, but the percentages indicating plans to expand were also very high in education and health care (97%), “other services” (95.6%), wholesale and retail trade (80%), and transportation, warehousing, utilities, and information (71%), with close to half indicating firm plans. half or less indicated firm plans in each case. In the construction industry, 65.7

percent were planning to expand, although 42 percent had no firm plans. Just under 63 percent of business and professional services concerns indicated expansion plans, but only a third of these had firm plans.

**Table 6: Future Plans of Lea County Businesses by Industry Weighted by Industry and Size**

| <b>Industry</b>                                     | <b>Plan to continue but scaling back employment</b> | <b>Plan to expand but no firm plans with facility/staff</b> | <b>Plan to expand with facility/staff changes</b> | <b>Plan to continue at current operation levels</b> |
|---|---|---|---|---|
| Mining  | 9.1%  | 33.5%   | 11.7%   | 45.7%   |
| Construction  | 0.0%  | 41.7%   | 24.0%   | 34.3%   |
| Manufacturing                                       | 0.0%  | 100.0%  | 0.0%  | 0.0%  |
| Retail & Wholesale Trade                            | 0.0%  | 32.5%   | 47.6%   | 19.9%   |
| Transport., Warehousing, Info. Services & Utilities | 0.0%  | 25.9%   | 45.1%   | 29.0%   |
| Financial, Insurance & Real Estate                  | 18.6%   | 31.9%   | 8.1%  | 41.4%   |
| Professional & Business Services                    | 0.0%  | 41.2%   | 21.7%   | 37.1%   |
| Education, Health Care & Social Assistance          | 2.5%  | 50.0%   | 47.5%   | 0.0%  |
| Leisure & Hospitality <sup>1</sup>                  | 10.1%   | 11.4%   | 38.4%   | 29.9%   |
| Other services                                      | 0.0%  | 67.7%   | 27.9%   | 4.3%  |
| Agriculture & Unclassified                          | 0.0%  | 0.0%  | 0.0%  | 0.0%  |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 90%, 114 of 126 firms

1. One firm in this industry reported they will be closing.

Across all industries, about 27 percent of firms indicated they plan to continue at current operation levels. Mining and financial, insurance & real estate have the largest percentages of firms remaining at current levels, 46 and 41 percent respectively, and there are firms in these two industries planning to scale back on employment.

The response of the oil and gas industry in Lea County to high energy prices has been fast and furious – a boom. Past experience would caution a bust around the corner. Two of the larger employers with whom we conducted more extensive interviews indicated the high prices – and the boom – could last for a while. Both were undertaking expansions, with one entering a new type of production operation.

Nationally, mortgage rates are higher, the housing boom is over and expectations regarding business investment in structures have been lowered. The lack of housing has become a serious constraint on future growth of Lea County. The dearth of supply may be discouraging expansion in the real estate industry, and the financial industry may simply not see the opportunities there during the boom period.

## **LOCAL BUSINESS CLIMATE**

A series of six questions asked businesses to rate and comment on the local business climate. Overall, firms were satisfied with the business climate in Lea County but expressed concerns about the labor force.

Question 7. *On a scale of 1 to 5, with “1” being very dissatisfied and “5” being very satisfied, rate your overall satisfaction with the business climate in Lea County.*

**Table 7** presents the percentage of responding firms who rated this question on the scale of 1 to 5. Generally firms were neutral on the business climate (rating=3) or generally positive about the business climate in Lea County. Only 6.8 percent firms were very dissatisfied or dissatisfied (rating=2) with the business climate in Lea County.

**Table 7: Overall Local Business Climate**

| Response              | Percent |
|-----------------------|---------|
| 1 – very dissatisfied | 1.6%    |
| 2                     | 5.2%    |
| 3                     | 38.5%   |
| 4                     | 28.8%   |
| 5 – very satisfied    | 25.9%   |
| Total                 | 100%    |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 95%, 120 of 126 firms

### Work Ethic and Work Habits

Question 8 asked, *On a scale of 1 to 5, with “1” being very dissatisfied and “5” being very satisfied, rate your overall satisfaction with the work ethic and habits of those you have hired locally.* **Table 8** presents how responding employers rated the work ethic and habits of the local workforce. Again the largest percentage (34.1 %) of firms rated their satisfaction in the middle (rating=3). The percentage who were satisfied and very satisfied (36.2 %) is higher than the percentage of employers (29.7%) who are either very dissatisfied (rating=1) or dissatisfied (rating=2 or 2.5). Thirteen percent of all the responding employers were “very dissatisfied” with the work ethic and habits of the local work force.

**Table 8: Business Rating of Work Ethic and Habits of Local Labor Force Weighted by Industry and Size**

| Response              | Percent |
|-----------------------|---------|
| 1 – very dissatisfied | 13.0%   |
| 2                     | 16.7%   |
| 3                     | 34.1%   |
| 4                     | 15.2%   |
| 5 – very satisfied    | 21.0%   |
| Total                 | 100%    |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 96%, 121 of 126 firms

It is interesting that a high proportion of those employers planning to expand gave the local workforce high ratings in terms of work ethic and habits. Roughly 40% of expanding businesses rated their satisfaction with the local workforce as a 4 or a 5, while 22-23% gave a 1 or a 2. It appears that many expanding employers are pleased with their existing local workforce but may be having difficulty in the tight labor market attracting similar caliber people.

During the phone survey, firms were asked, “*What is your general perception of the local workforce.*” A careful reading of the responses suggests a distinction between the existing workforce and those individuals currently in the labor market. As one employer put it, “[It] depends, long-term employees have a good work ethic but I hear from lots of others that it is currently hard to find good people.”

These phone responses provide insight regarding employer satisfaction with the current local labor pool. Fifteen of the 60 firms – one quarter of those interviewed -- felt that there was an overall lack of motivation among the available workforce. They viewed the available pool of workers as cycling through jobs and being unreliable. Respondents described young workers as lacking commitment and motivation, although similar sentiments were expressed about the pool in general.

*Nobody wants to work; people are going from job to job.*

*The new generation is lazy.*

*... Younger staff not looking for careers; do not want to work... Expectations are that jobs are easy and then they leave when they learn they have to actually work.*

*Everyone who wants to work already has a job.*

These quotes allude to an overabundance of jobs in the area, and not enough employees. As such, employees can easily go from position to position – there will always be an employer willing to hire.

Another set of concerns related to youth, inexperience and lack of skills. Employers viewed the current labor pool as dominated by young individuals just entering the workforce and lacking commitment and motivation. Some felt that these kids, fresh out of high school, have no experience. Others, while not specifically discussing younger workers, noted that the available workforce lacks experience and skills. Fifteen of the 60 employers in the phone survey indicated either that the current labor pool is young and unskilled or generally that applicants are unskilled. This finding is consistent with the mail survey results reported in Table 8 above and also with those reported in Table 9 under **Education and Training** below.

The third general area of concern related to drug problems. Eight of the 60 employers in the telephone survey specifically mentioned drug problems and the difficulties in finding workers who could pass a drug test. The mail survey results on this issue are discussed under **Substance Abuse** below.

In terms of the workforce, some employers indicated that they have hard-working employees. Three of the nine firms who had positive comments about the workforce cited the “established” workforce or “long-term” employees that work hard and have a good work ethic. The problem is less with the established workforce than with the current small pool of local people looking for employment.

## Education and Training

Question 9 asked,

*On a scale of 1 to 5, with “1” being very dissatisfied and “5” being very satisfied, rate your overall satisfaction with the education and training of those you have hired locally.*

**Table 9** presents the mail survey responses regarding satisfaction with education and training of the local workforce. Those generally satisfied account for 25.0 percent of employers, versus the larger 32.0 percent who indicated their overall dissatisfaction. About 40 percent of respondents are in the middle.

**Table 9: Rating of Workforce Education and Training  
Weighted by Industry and Size**

| Response              | Percent |
|-----------------------|---------|
| 1 – very dissatisfied | 3.7%    |
| 2                     | 28.3%   |
| 3                     | 43.1%   |
| 4                     | 10.7%   |
| 5 – very satisfied    | 14.3%   |
| Total                 | 100%    |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 96%, 121 of 126 firms

## Substance Abuse

Question 10 on the survey addressed drug abuse problem and asked businesses to rate the seriousness of abuse appeared to be where they operate in Lea County.

**Table 10** presents the distribution of responses. Only 6.7 percent of firms responded with a rating of 3. The majority of firms, 69 percent of firms find drug abuse in their area of operation to be a problem, with 54 percent indicating that the problem is serious. About one quarter of firms found the drug abuse where they operate to be minimal (rating=1) or fairly minimal (rating=2).

**Table 10: Drug Abuse in Area  
Weighted by Industry and Size**

| <b>Response</b>     | <b>Percent</b> |
|---------------------|----------------|
| 1 – none or minimal | 16.1%          |
| 2                   | 8.2%           |
| 3                   | 6.7%           |
| 4                   | 15.1%          |
| 5 – serious         | 53.9%          |
| <b>Total</b>        | <b>100%</b>    |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 96%, 121 of 126 firms

In addition to rating the drug abuse problem in Lea County, firms were asked to briefly describe how it impacts their business. Not all firms provided feedback and therefore these responses are not representative of all firms. However, the comments do provide insight on costs incurred by firms due to drug abuse problems. As some employers said,

*It's hard to find someone who can pass a drug test.*

*There are not enough [workers] who will stay off drugs and come to work.*

*Drug testing keeps some from working.*

The overwhelming impact to those who commented relates to the need to administer drug-screening tests to both current and prospective employees. Compounding the hassle and expense of administering drug tests are the impacts associated both with the shrinking pool of applicants who can pass the drug tests and the loss of current employees who fail a drug test and must be fired. Even firms who rated the drug abuse problem as minimal commented that it was hard to find employees. Without prompting, eight of the 60 firms interviewed by phone cited drug problems and individuals failing drug tests as significantly limiting the workforce in Lea County.

Other costs incurred by firms include increased absence from work, lower productivity among workers, increased occurrence of accidents and more prevalence of thefts. Not all firms who rated the drug abuse problem as serious found that it impacted their firm. Some firms replied that either there was no impact or not applicable for their firm, but rather an issue for the county at large.

### **Housing Shortage**

Question 11 on the survey asked firms to rate the seriousness of Lea County's housing shortage. **Table 11** presents the distribution of employer responses. Overall, the housing shortage appears to be a major concern among employers in Lea

**Table 11: Seriousness of Housing Shortage  
Weighted by Industry and Size**

| <b>Response</b>     | <b>Percent</b> |
|---------------------|----------------|
| 1 – none or minimal | 11.0%          |
| 2                   | 5.9%           |
| 3                   | 21.9%          |
| 4                   | 20.6%          |
| 5 – serious         | 40.6%          |
| Total               | 100%           |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 93%, 117 of 126 firms

County. Over 60 percent rated the housing shortage at a 4 or higher in seriousness. The impact of the housing shortage is felt most by employers in the education, health care and social assistance sector. One hundred percent of firms in this sector rated the housing shortage a 3 or higher in seriousness. Following this sector was mining, with 91 percent of firms rating the shortage a 3 or higher. Close behind mining are construction, retail trade, professional & business services, and transportation, warehousing, information services & utilities where just under 90 percent of the firms rated the shortage a 3 or higher. These industries are most likely to be recruiting outside of the Lea County region. Already short of workers, they are feeling the pinch first-hand as their recruitment is constrained by the inability to attract qualified employees.

On the other hand, the least impacted industries are “other services” and manufacturing. Fifty-six percent of firms in manufacturing rated the housing shortage a 3 or higher. Among other services, this percentage is only 35 percent. Recalling that other services represent more local service businesses such as automotive repair, personal care and membership organizations, it is not surprising that this industry rates the housing shortage as less serious because employees are more likely from the local area and not in need of housing.

As a follow-up to rating the housing shortage, firms were asked how it affects their business operations. The general consensus was that the housing shortage constrains employers from attracting applicants or hiring individuals from outside of Lea County as newcomers have a difficult time finding available and affordable housing. A small number of employers (about 10%) indicated that the housing shortage impacted their business only minimally, if at all.

### **Strategies for Working with Limited Workforce**

On both the mail survey and the phone survey, firms were asked to detail how they have addressed their difficulties in attracting and keeping qualified employees or filling jobs that have been difficult for them to fill. The responses from those that

responded can be summarized into three categories: (1) maintaining the status quo (2) attracting new workers, and (3) keeping current workers.

The first category, maintaining the status quo, represents a minority of the responses. These are employers who indicated that they were “just trying to get by.” They were continuing operations within the current work force they have and did not see any advantages to recruiting more individuals given the current labor market. These are firms from across all industries but they tend to be smaller firms, with the majority having less than 24 employees and half having less than 9 employees. Of those that responded to the mail survey, the majority indicated in question 6 that they planned to operate at current operation levels. None of the firms indicated that they would be closing or scaling back on employment.

The second strategy, attracting new workers, includes firms in Lea County that are using a variety of methods and combinations of methods to find individuals to hire. Most commonly, employers use national and local advertising. Advertising includes advertising in newspapers, on websites, at job fairs and on college campuses. A smaller number of firms who responded to this question are using employment agencies or head-hunters, especially for recruiting outside of the state. Two firms indicated that they are actively recruiting from Texas, and one of those firms has brought in entire work teams from Texas. Another firm is hiring workers from Mexico through a Mexico worker program. Interestingly, there were firms who specifically stated that they did not advertise nationally because of the housing shortage. While advertising was the most commonly used approach to recruit potential employees, much of the recruitment is done informally, through word-of-mouth, including asking current employees to refer potential employees.

The firms working to attract new workers come from across all industries and tend to be larger firms of 25 or more employees. Of those that responded to the mail survey, the vast majority of these firms indicated that they be expanding operations in a given number of years. A few firms were planning to keep operations at current levels and one firm in this group was planning to scale back.

The third approach to working with a limited workforce is to find ways to retain current employees. Often, these strategies are the same as those used to recruit employees from inside and outside Lea County. A common approach to retaining employees is to increase wages and provide more substantial benefits. One employer indicated that wage increases were initiated to “draw from other employers,” and presumably to prevent current workers from taking jobs elsewhere. Labor turnover in the county is very high and there are a large number of vacancies, so employers have even more reasons than normal to encourage workers to stay in jobs for longer periods of time. However, offering competitive wages in Lea County is complicated by the labor shortages in the oil fields that have driven up wages for unskilled labor. Many employers stated that they could not compete with the wages being offered in the oil field.

As some retailers lamented,

*Rig work is paying too much.*

*Oil workers' spouses don't need a job [further limiting the number of potential employees].*

*The oil fields inflate wages and no one else can pay that much.*

*Competing with wages from the oil industry is where we lose most of our good help.*

Many employers indicated that they were increasing benefits to workers in order to attract and retain qualified employees. Most firms within this category stated they were providing better benefits but did not provide more detail. Other firms indicated very specific benefits they were offering: flex-time, scholarships or loan repayments, allowing children to be at work with their parents on short school days and end-of-year bonuses.

Beyond higher wages and benefits, firms reported using training to help keep their existing employees and to increase the skill-levels of newly hired employees. Specifically, firms stated they are hiring younger workers and training them in-house or out-sourcing training. Some businesses contract with New Mexico Junior College to set up training programs.<sup>5</sup> Other employers have increased training to current staff, and a couple of firms are helping employees earn degrees.

The businesses taking actions to retain current workers again represent spectrum of industries in Lea County. The majority are larger firms with 25 or more employees. Of those that responded to the mail survey, almost 100 percent of the firms responded to question 6 by stating they were expanding operations. In the minority was a firm that indicated they plan to close down operations.

## **CURRENT AND FUTURE LABOR REQUIREMENTS**

### **General Questions**

Firms were first asked to rate the importance of English and Spanish proficiency for their employees:

*"On a scale of 1 to 5, with "1" being not important and "5" being with very important,*

- a. How important is it for your employees to be able to communicate in English?\_\_\_\_\_*
- b. For them to be able to communicate in Spanish?\_\_\_\_\_*
- c. For them to be able to communicate in both Spanish and English?\_\_\_\_\_*

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<sup>5</sup> The shortage of available workers with Commercial Drivers Licenses has spurred firms like Halliburton to work with NMJC to set up a certification program.

**Table 12** displays the distribution of those employers who responded. Given the responses, employees' ability to communicate in English is very important for the majority of firms in Lea County. Ninety percent rated communication in English as important (rating=5) or quite important (rating=4). Only 3 percent of firms rated communication in English with less than a rating of 3.

**Table 12: Communication in English, Spanish or Both Weighted by Industry and Size**

| Response          | English <sup>1</sup> | Spanish <sup>2</sup> | Spanish & English <sup>3</sup> |
|-------------------|----------------------|----------------------|--------------------------------|
| 1 – Not important | 1.9%                 | 40.0%                | 28.2%                          |
| 2                 | 1.4%                 | 22.0%                | 15.6%                          |
| 3                 | 6.5%                 | 20.0%                | 27.9%                          |
| 4                 | 16.1%                | 6.4%                 | 7.2%                           |
| 5 – Important     | 74.2%                | 11.6%                | 21.1%                          |
| Total             | 100%                 | 100%                 | 100%                           |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

1. Response Rate: 94%, 119 of 126 firms

2. Response Rate: 91%, 115 of 126 firms

3. Response Rate: 93%, 117 of 126 firms

Communicating in Spanish is less important for the majority of firms in Lea County. Those firms who rated communication in Spanish not important (rating=1) or not so important (rating=2) represent 62 percent of the firms. Only 18 percent of the employers indicated that communication in Spanish was important (rating=5) or somewhat important (rating=4). Industries that had higher than 18 percent of their own firms reporting Spanish as important or somewhat important include: Retail and wholesale trade, with 21 percent of firms; financial, insurance and real estate, with 23 percent of firms; and other services, with 72 percent of firms

On the other hand, 28 percent of employers felt that communicating in both English and Spanish was important (rating=5) or somewhat important (rating=4), while another 28 percent gave proficiency in both languages a rating of 3. More than half of the firms find that at times they need employees who can communicate to either clients or other employees who only speak Spanish. As with Spanish alone, other services and finance, insurance and real estate again comprise a large proportion of firms indicating that an ability to speak both English and Spanish was important. In financial, insurance and real estate 60 percent of the businesses gave a rating of 4 or 5 -- the highest percentage of all industries. This industry is followed by mining, with 50 percent of firms, construction, with 47 percent, and other services, with 40 percent of the businesses.

Businesses were asked to estimate the number of jobs that are physically demanding in that they require individuals to lift at least 40 pounds. The responses are tabulated

in **Table 13**. All the responding manufacturing businesses, 81.5% of those in the construction industry, 84% of responding firms in other services, and 76 percent of the mining businesses require at least half of their employees to lift 40 pounds. By contrast, only 18 percent of the jobs in the financial, insurance and real estate industry require lifting. Looking across all sectors, the majority of employers (58 percent) require that at least half of their employees be able to lift 40 lbs. Much of the employment in Lea County appears to be physically demanding.

**Table 13: Positions Requiring Ability to Lift 40 Pounds or More Weighted by Industry and Size**

| <b>Industry</b>   | <b>Percentage of Firms where at least 50% of employees must be able to lift 40 lbs.</b> |
|---|---|
| Mining  | 76.3%   |
| Construction  | 81.5%   |
| Manufacturing   | 100%  |
| Retail & Wholesale Trade                                | 56.0%   |
| Transportation, Warehousing, Info. Services & Utilities | 82.2%   |
| Financial, Insurance & Real Estate                      | 17.8%   |
| Professional & Business Services                        | 27.5%   |
| Education, Health Care & Social Assistance              | 25.7%   |
| Leisure & Hospitality                                   | 52.7%   |
| Other services  | 83.7%   |
| Total - across all firms                                | 57.6%   |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 92%, 116 of 126 firms

Businesses were also asked to estimate the number of positions that regularly require individuals to work more than 40 hours a week. The results are presented in **Table 14**. Construction had the highest percentage of businesses (85.9 %), where at least half of employees regularly work more than 40 hours a week. Mining has the next highest percentage of firms (77.8%), with more than 50 percent of employees working more than 40 hours a week, followed by other services (70.6%). More than half of all firms (53.8%) indicated, that at least half of their employees regularly work more than 40 hours a week. These large percentages provide evidence that some employers may be addressing the shortage of labor and the shortage of skilled labor by requiring more of their current employees.

At the other end of the spectrum, businesses in the leisure and hospitality industry have the smallest percentage (11.5% of employers reporting that at least 50 percent of workers may be required to work more than 40 hours a week. The low percentage may reflect the common practice in this industry of employing a significant number of part-time workers. Despite the low overtime requirements, the leisure and hospitality

**Table 14: Positions Requiring More than 40 Hours a Week  
Weighted by Industry and Size**

| <b>Industry</b>   | <b>Percentage of Firms<br/>where at least 50% of<br/>employees work more<br/>than 40 hours a week.</b> |
|---|--|
| Mining  | 77.8%  |
| Construction  | 85.9%  |
| Manufacturing   | 55.6%  |
| Retail & Wholesale Trade  | 41.0%  |
| Transportation, Warehousing, Info. Services & Utilities                                     | 58.2%  |
| Financial, Insurance & Real Estate  | 38.5%  |
| Professional & Business Services  | 60.8%  |
| Education, Health Care & Social Assistance  | 19.5%  |
| Leisure & Hospitality   | 11.5%  |
| Other services  | 70.6%  |
| <b>Total - across all firms</b>   | <b>53.8%</b>   |
| Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007 |  |
| Response Rate: 93%, 117 of 126 firms  |  |

industry in Lea County has some of the highest numbers of both current and near-term projected vacancies among the businesses that responded to the survey.

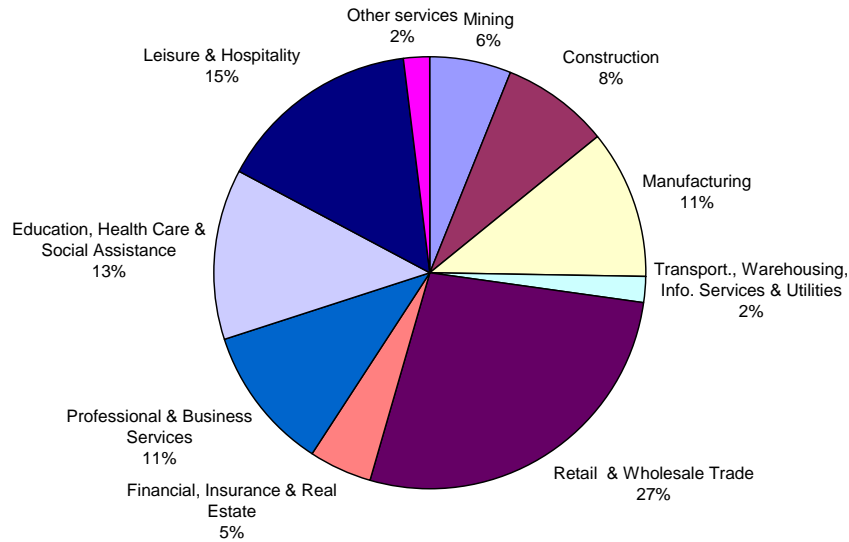
**Current Vacancies and Projected Future Labor Requirements: Un-weighted Results**

Employers were asked to provide details on the positions that “*you need to fill, those you expect to fill in the next year or two, and those in the next 3-5 years.*” Specifically, they were asked to indicate for each occupation the number of positions, the education and skill level requirements, and the expected wage. In addition, businesses were asked to indicate whether each position can be filled from the local workforce.

Some firms clearly indicated they did not or will not have current or future employment vacancies. Some firms did not complete this section of the survey. In this case, if the firm had answered the question on future plans and had indicated the number of any expected employment increases, these earlier estimates were allocated to this section of the survey.

The responses were first left un-weighted to provide a floor for projecting future employment. Without weighting, the total number of current vacancies reported by responding firms is 445. The distribution of those vacancies is displayed in **Figure 1** below. Retail and wholesale trade has the largest percentage, 27 percent, of current

**Figure 1**  
**Current Vacancies by Industry**  
**Un-weighted Sample**



Total Number of Current Vacancies = 445

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

vacancies among all 445 reported vacancies. Accommodations, food service and recreation follow with 15 percent of the current vacancies.

**Table 15** provides a breakdown by industry both of current vacancies and of planned hiring over the next few years. Over the next 5 years, businesses in Retail and Wholesale Trade plan to increase their hiring absolutely and relative to other sectors. Other sectors where substantial increases in hiring may be expected are education, health care and social assistance, professional and business services, manufacturing, financial, insurance and real estate, and other services, although the absolute number in this sector is small. Mining reports modest increases over the period as does construction. Transportation, warehousing, information services and utilities show negligible hiring. Leisure and hospitality plans to step up hiring over the next couple years, but its share of the total drops from 15.1 percent to 5.5 percent in 3 to 5 years. Overall, the number of positions to be filled among these firms increases by 40 percent to 621 in 1 to 2 years then to 746 in the 3 to 5 year horizon.

**Table 15: Reported Current Vacancies and Projected Labor Needs both in 1-2 Years and in 3-5 Years**

| Industry  | Current | % of all |           | % of all |           |      |
|---|---------|----------|-----------|----------|-----------|------|
|   |         | jobs     | 1-2 Years | jobs     | 3-5 Years |      |
| Mining  | 24      | 5%       | 25        | 4%       | 35        | 5%   |
| Construction  | 36      | 8%       | 39        | 6%       | 43        | 6%   |
| Manufacturing                                       | 50      | 11%      | 57        | 9%       | 77        | 10%  |
| Wholesale Trade                                     | 58      | 13%      | 63        | 10%      | 52        | 7%   |
| Retail Trade  | 63      | 14%      | 103       | 17%      | 168       | 23%  |
| Transport., Warehousing, Info. Services & Utilities | 11      | 2%       | 16        | 3%       | 11        | 1%   |
| Financial, Insurance & Real Estate                  | 21      | 5%       | 53        | 9%       | 79        | 11%  |
| Professional & Business Services                    | 49      | 11%      | 43        | 7%       | 89        | 12%  |
| Education, Health Care & Social Assistance          | 57      | 13%      | 111       | 18%      | 121       | 16%  |
| Leisure & Hospitality                               | 67      | 15%      | 83        | 13%      | 41        | 5%   |
| Other services                                      | 9       | 2%       | 29        | 5%       | 30        | 4%   |
| Total   | 445     | 100%     | 621       | 100%     | 746       | 100% |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

**Table 16** displays the un-weighted vacancies by occupation classes.<sup>6</sup> The largest percentage of current vacancies is among production operative workers. About 20 percent of current vacancies are defined as jobs in the production of goods for use in other industries or for sale as final consumer goods. The demand for these positions remains fairly high over the next five years.

**Table 16: Reported Vacancies by Occupation Class**

| Occupation Class <sup>1</sup>                           | Current | % of all |           | % of all |           |       |
|---|---------|----------|-----------|----------|-----------|-------|
|   |         | jobs     | 1-2 Years | jobs     | 3-5 Years |       |
| Management, Business & Financial Workers                | 11      | 2.5%     | 18        | 2.8%     | 9         | 1.2%  |
| Science, Engineering, and Computer Professionals        | 10      | 2.2%     | 4         | 0.6%     | 5         | 0.7%  |
| Healthcare Practitioner, Professional and Technical     | 22      | 4.9%     | 28        | 4.5%     | 24        | 3.2%  |
| Healthcare Support Occupations                          | 32      | 7.2%     | 73        | 11.8%    | 70        | 9.4%  |
| Other Professional Workers                              | 9       | 2.0%     | 24        | 3.9%     | 28        | 3.8%  |
| Technicians   | 20      | 4.5%     | 7         | 1.1%     | 10        | 1.3%  |
| Sales Workers   | 49      | 11.0%    | 85        | 13.7%    | 145       | 19.4% |
| Administrative Support Workers                          | 22      | 4.9%     | 44        | 7.1%     | 78        | 10.5% |
| Construction and Extractive Craft Workers               | 28      | 6.2%     | 25        | 4.0%     | 22        | 2.9%  |
| Installation, Maintenance, and Repair Craft Workers     | 29      | 6.5%     | 38        | 6.1%     | 38        | 5.1%  |
| Production Operative Workers                            | 92      | 20.7%    | 99        | 15.9%    | 119       | 16.0% |
| Transportation and Material Moving Operative Workers    | 50      | 11.2%    | 86        | 13.8%    | 131       | 17.6% |
| Laborers and Helpers                                    | 8       | 1.8%     | 11        | 1.8%     | 26        | 3.5%  |
| All Service workers (e.g., Food service, Personal care) | 63      | 14.2%    | 80        | 12.9%    | 41        | 5.5%  |
| Total   | 445     | 100%     | 621       | 100%     | 746       | 100%  |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

1. Occupation classes are defined by U.S. Department of Labor, Standard Occupational Classification (SOC) system. SOCs are then aggregated by the U.S. Census occupational categories.

Sales and service workers account for both a high percentage of current vacancies and a large proportion of future labor needs. The industries with the largest

<sup>6</sup> The occupation classes used to group jobs are defined by the U.S. Department of Labor's Standard Occupational Classification (SOC) system. Each occupation reported by a firm was matched to one of 14 major occupation classes.

proportion of their work force in these jobs are retail and wholesale trade and leisure and hospitality industries – industries accounting for the largest percentage of vacancies and projected future job openings. The demand for sales workers increases over the five years while the demand for service workers drops after a couple years, presumably as the major construction projects wind down.

Transportation and material moving operative workers also show increasing demand over the next five years. Currently, they represent 11.2 percent of the current vacancies. That percentage grows to 17.6 percent in five years. These positions correspond to truck drivers and heavy equipment operators. The majority of firms reported that they require drivers to have a commercial driver's license (CDL).

Many of the workers employed by the oil and gas industry fall into the category of construction and extractive craft workers, and include roustabouts, derrick and service unit operators. Note that the current and projected future demand for workers in these occupations is relatively small, accounting for about six percent of the total. Interestingly, the types of workers often employed by support industries for oil and gas, specifically transportation and material moving workers along with production operative workers show high demand among the surveyed firms.

**Table 17** reports the results on whether the position in question can be filled locally. Looking at the vacant positions in terms of the ease in filling them, we see that across all industries over 50 percent of the jobs are deemed “*difficult to fill from the local workforce.*” The percentages are closer to 100 percent for most industries. These percentages support earlier discussions on the number one challenge facing firms, finding good workers and keeping them.

**Table 18** displays the results from the phone survey, where firms were asked to list the jobs they were having the most trouble filling if they were unable to meet their employment needs with the current local work force. The tabulation indicates the number of employers who listed each of the occupations during the phone interview.

As found in the mail survey, there are a number of firms having difficulty filling service and sales workers. This is followed by occupations in the construction and extractive craft occupations and transportation and material moving operative workers. There is constituency between the mail and phone survey on which occupations are most in need and difficult to fill given the current labor force.

**Table 17: Percentage Indicating Difficulty in Filling Positions from Local Workforce**

| <b>Industry</b>                                     | <b>Percentage</b> |
|---|-------------------|
| Mining  | 92%               |
| Construction  | 95%               |
| Manufacturing                                       | 100%              |
| Wholesale Trade                                     | 91%               |
| Retail Trade  | 96%               |
| Transport., Warehousing, Info. Services & Utilities | 77%               |
| Financial, Insurance & Real Estate                  | 94%               |
| Professional & Business Services                    | 67%               |
| Education, Health Care & Social Assistance          | 90%               |
| Leisure & Hospitality                               | 100%              |
| Other services                                      | 100%              |
| <b>Total</b>  | <b>89%</b>        |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 82%, 193 of 234 listed occupations

**Table 18: Jobs Difficult to Fill Locally**

| <b>Occupation Class<sup>1</sup></b>                     | <b>Number of firms</b> |
|---|------------------------|
| Management, Business & Financial Workers                | 3                      |
| Science, Engineering, and Computer Professionals        | 2                      |
| Healthcare Practitioner Professional and Technical      | 2                      |
| Healthcare Support Occupations                          | 3                      |
| Other Professional Workers                              | 0                      |
| Technicians   | 3                      |
| Sales Workers   | 8                      |
| Administrative Support Workers                          | 4                      |
| Construction and Extractive Craft Workers               | 11                     |
| Installation, Maintenance, and Repair Craft Workers     | 2                      |
| Production Operative Workers                            | 5                      |
| Transportation and Material Moving Operative Workers    | 8                      |
| Laboreres and Helpers                                   | 6                      |
| All Service workers (e.g., Food service, Personal care) | 12                     |

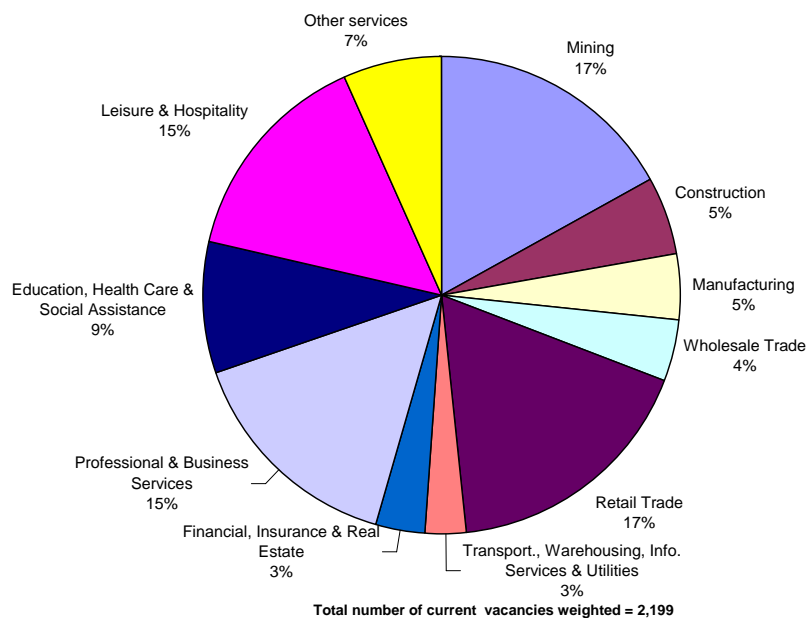
Source: UNM Bureau of Business and Economic Research, Phone Survey of Lea County Firms, 2007

1. Occupation classes are defined by U.S. Department of Labor, Standard Occupational Classification (SOC) system. SOCs are then aggregated by the U.S. Census occupational categories.

## Current Vacancies and Projected Future Labor Requirements: Results after Weighting by Size and by Industry<sup>7</sup>

Looking again at current vacancies, this time with employer responses weighted by industry and size, the total estimated number of current vacancies is 2,199, or about 4 times the number of vacancies reported by responding businesses. While this seems very large, the relative proportions accounted for by different industries are reasonable. (See **Figure 2.**) For example, retail trade now has the largest

**Figure 2**  
**Current Vacancies by Industry**  
**Weighted by Industry and Size**



Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

percentage share (17%) of current vacancies in Lea County, with the mining industry now a close second (17%)<sup>8</sup>, followed by leisure and hospitality and professional and business services (15%) and education, health care and social assistance (9%). Construction only accounts for 5% of the reported vacancies, the same percent as manufacturing. The mail-out survey did not include the construction contractor for the Uranium Enrichment Facility, nor that for the 500 MGW power plant. Together these two projects will have peak construction employment in the neighborhood of 1,000 jobs.<sup>9</sup>

<sup>7</sup> The results reported in this section only include those businesses randomly sampled as described in the methodology. Fast-growing small businesses were over-sampled but none from the over-sample have been included in the weighted figures reported in this section.

<sup>8</sup> Mining jobs under the un-weighted results represent only 6 percent of the current vacancies, while they are 17% after weighting. This represents a more accurate view of the distribution of vacancies as mining firms are underrepresented in our sample.

<sup>9</sup> See discussion in BBER, *The Economy of Lea County and the Larger Region*, p. 43.

**Table 19** reports the weighted sample results for both current vacancies and future labor needs by industry. Over the next 5 years, retail trade remains at the top in terms of anticipated positions to be filled, and retail's share of the total increases dramatically in the 3-5 year period. The leisure and hospitality industry anticipates considerable hiring over the next couple years, but not after that. Their projections fit within the timeline of the NEF and 500 MWT power plant construction projects. Currently, hotel rooms are being rented to house workers. Mining maintains the second highest percentage of openings in the 3 to 5 years period with 16 percent. These projections seem reasonable given current oil price forecasts and are consistent with what the larger players are saying.

**Table 19: Reported Current Vacancies and Openings in  
1-2 years and 3-5 years  
Weighted by Industry and Size**

| Industry  | Current | % of all |           | % of all |           |      |
|---|---------|----------|-----------|----------|-----------|------|
|   |         | jobs     | 1-2 Years | jobs     | 3-5 Years | jobs |
| Mining  | 370     | 17%      | 289       | 10%      | 439       | 16%  |
| Construction  | 120     | 5%       | 180       | 6%       | 155       | 6%   |
| Manufacturing                                       | 99      | 5%       | 129       | 4%       | 127       | 5%   |
| Wholesale Trade                                     | 92      | 4%       | 142       | 5%       | 70        | 2%   |
| Retail Trade  | 383     | 17%      | 574       | 19%      | 723       | 26%  |
| Transport., Warehousing, Info. Services & Utilities | 62      | 3%       | 93        | 3%       | 71        | 3%   |
| Financial, Insurance & Real Estate                  | 75      | 3%       | 268       | 9%       | 281       | 10%  |
| Professional & Business Services                    | 335     | 15%      | 186       | 6%       | 372       | 13%  |
| Education, Health Care & Social Assistance          | 191     | 9%       | 211       | 7%       | 239       | 9%   |
| Leisure & Hospitality                               | 324     | 15%      | 622       | 21%      | 41        | 1%   |
| Other services                                      | 150     | 7%       | 259       | 9%       | 290       | 10%  |
| Total   | 2199    | 100%     | 2953      | 100%     | 2807      | 100% |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Overall, the number of vacancies or positions to be filled across all firms in 1 to 2 years increases by 34 percent to 2,953. In the 3 to 5 year period, 2,807 openings are expected among the total population of employers surveyed. Businesses in the leisure and hospitality industry account for much of the drop-off, although hiring is expected to slack off also in wholesale trade and in transportation and warehousing.

**Table 20** takes the same positions reported in Table 19 but presents the data by occupation classification. Transportation and material moving operative workers account for the 18 percent of current vacancies, and the demand for people in this occupation is expected to remain high over the next few years, with 403 positions to be filled in the next couple years and 448 in the 3 to 5 year time period. This strong demand for this occupation is driven by the demand for drivers across a number of industries in the economy. However, it is sales jobs that have the largest number of anticipated positions to be filled both over the next couple years (470) and in the next 3 to 5 years (626). The demand for service workers, a class that includes food

**Table 20: Reported Vacancies by Occupation Class  
Weighted by Industry and Size**

| Occupation Class <sup>1</sup>                           | Current     | % of all    |             | % of all    |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
|   |             | jobs        | 1-2 Years   | jobs        | 3-5 Years   | jobs        |
| Management, Business & Financial Workers                | 114         | 5.2%        | 191         | 6.5%        | 66          | 2.4%        |
| Science, Engineering, and Computer Professionals        | 50          | 2.3%        | 27          | 0.9%        | 69          | 2.4%        |
| Healthcare Practitioner, Professional and Technical     | 74          | 3.4%        | 54          | 1.8%        | 49          | 1.7%        |
| Healthcare Support Occupations                          | 111         | 5.1%        | 154         | 5.2%        | 160         | 5.7%        |
| Other Professional Workers                              | 47          | 2.1%        | 103         | 3.5%        | 113         | 4.0%        |
| Technicians   | 121         | 5.5%        | 53          | 1.8%        | 107         | 3.8%        |
| Sales Workers   | 314         | 14.3%       | 470         | 15.9%       | 626         | 22.3%       |
| Administrative Support Workers                          | 152         | 6.9%        | 236         | 8.0%        | 203         | 7.2%        |
| Construction and Extractive Craft Workers               | 123         | 5.6%        | 133         | 4.5%        | 101         | 3.6%        |
| Installation, Maintenance, and Repair Craft Workers     | 285         | 13.0%       | 339         | 11.5%       | 338         | 12.0%       |
| Production Operative Workers                            | 176         | 8.0%        | 271         | 9.2%        | 354         | 12.6%       |
| Transportation and Material Moving Operative Workers    | 351         | 16.0%       | 330         | 11.2%       | 497         | 17.7%       |
| Laborers and Helpers                                    | 38          | 1.7%        | 46          | 1.6%        | 86          | 3.0%        |
| All Service workers (e.g., Food service, Personal care) | 243         | 11.0%       | 546         | 18.5%       | 41          | 1.5%        |
| <b>Total</b>  | <b>2199</b> | <b>100%</b> | <b>2953</b> | <b>100%</b> | <b>2807</b> | <b>100%</b> |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

1. Occupation classes are defined by U.S. Department of Labor, Standard Occupational Classification (SOC) system. SOCs are then aggregated by the U.S. Census occupational categories.

service and housekeeping workers in lodging establishments, is expected to be very strong over the next couple years, with over 500 positions to be filled, but demand drops off sharply thereafter to 41 positions in the 3 to 5 year period. There is a high and growing demand for people to fill production operative positions, and a sustained high demand for people to fill jobs in installation, maintenance and repair. Administrative support occupations are also in relatively high demand, followed by healthcare support workers, and by management, business and financial workers and other professional workers.

**Table 21** presents business assessments of the difficulty of filling positions from the local workforce weighted by industry and size. Looking at the vacant occupations, across all industries, over 50 percent of the jobs are deemed “difficult to fill from the local workforce.” The percentages are closer to 100 percent for most industries. These percentages support earlier discussions on the number one challenge facing Lea County employers is finding good workers and keeping them.

**Table 21: Difficulty Filling Positions from Local Workforce Weighted by Industry and Size**

| <b>Industry</b>                                     | <b>Percentage</b> |
|---|-------------------|
| Mining  | 95%               |
| Construction  | 93%               |
| Manufacturing                                       | 100%              |
| Wholesale Trade                                     | 78%               |
| Retail Trade  | 95%               |
| Transport., Warehousing, Info. Services & Utilities | 74%               |
| Financial, Insurance & Real Estate                  | 86%               |
| Professional & Business Services                    | 60%               |
| Education, Health Care & Social Assistance          | 89%               |
| Leisure & Hospitality                               | 100%              |
| Other services                                      | 100%              |
| <b>Total</b>  | <b>87%</b>        |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 82%, 193 of 234 listed occupations

Both the mail survey and phone interviews asked respondents to describe the education and training needs of the jobs most difficult to fill. Looking first at the mail survey, the four occupations with the highest vacancies are:

- Transportation and material moving operative workers,
- Sales Workers,
- Installation, maintenance, and repair craft workers, and
- All service workers.

The occupation classes used to group jobs are defined by the U.S. Department of Labor's Standard Occupational Classification (SOC) system. Each occupation reported by a firm was matched to one of 14 major occupation classes. Each of the occupation classes are listed in **Table 22** below.

**Table 22: Currently Vacant Positions and Educational/Training Requirements by Occupation Class (Weighted by Industry and Size)**

| Occupation Class <sup>1</sup>                           | Current number of vacancies | Percent of Positions Requiring <sup>2</sup> |                   |   |             |            |           |
|---|-----------------------------|---|-------------------|---|-------------|------------|-----------|
|   |                             | HS/GED                                      | Vocational School | Some College, Bachelor's Degree or higher | Lic./ Cert. | Experience | Nothing   |
| Management, Business & Financial Workers                | 114                         | 50%   | 0%                | 31%                                       | 0%          | 45%        | 5%        |
| Science, Engineering, and Computer Professionals        | 50                          | 28%   | 8%                | 72%                                       | 44%         | 0%         | 0%        |
| Healthcare Practitioner Professional and Technical      | 74                          | 32%   | 0%                | 63%                                       | 70%         | 0%         | 0%        |
| Healthcare Support Occupations                          | 111                         | 66%   | 17%               | 0%  | 62%         | 12%        | 0%        |
| Other Professional Workers                              | 47                          | 11%   | 0%                | 63%                                       | 27%         | 11%        | 0%        |
| Technicians   | 121                         | 82%   | 6%                | 0%  | 33%         | 23%        | 0%        |
| Sales Workers   | 314                         | 31%   | 0%                | 3%  | 8%          | 10%        | 23%       |
| Administrative Support Workers                          | 152                         | 83%   | 0%                | 33%                                       | 2%          | 26%        | 0%        |
| Construction and Extractive Craft Workers               | 123                         | 29%   | 17%               | 0%  | 71%         | 12%        | 0%        |
| Installation, Maintenance, and Repair Craft Workers     | 285                         | 49%   | 13%               | 3%  | 42%         | 30%        | 0%        |
| Production Operative Workers                            | 176                         | 69%   | 0%                | 5%  | 31%         | 0%         | 0%        |
| Transportation and Material Moving Operative Workers    | 351                         | 38%   | 3%                | 0%  | 62%         | 21%        | 0%        |
| Laborers and Helpers                                    | 38                          | 50%   | 0%                | 0%  | 0%          | 0%         | 50%       |
| All Service workers (e.g., Food service, Personal care) | 243                         | 14%   | 0%                | 0%  | 13%         | 0%         | 73%       |
| <b>Total</b>  | <b>2199</b>                 | <b>38%</b>                                  | <b>4%</b>         | <b>13%</b>                                | <b>32%</b>  | <b>17%</b> | <b>9%</b> |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Firms, 2006/2007

Response Rate: 83%, 1890 of 2283 current vacancies

1. Occupation classes are defined by U.S. Department of Labor, Standard Occupational Classification (SOC) system. SOCs are then aggregated by the U.S. Census occupational categories.

2. Categories are not exclusive, percentages therefore do not add up to 100% for each occupation class.

Transportation and material moving operative workers – basically truck drivers and operators of heavy equipment -- have the highest number of vacancies. Among the employers with vacancies, a high school degree and/or license or certification were the most important requirements for these positions. For drivers, the primary license requirement is a commercial driver's license (CDL). For 17% of the positions, firms required previous experience. In terms of higher education, no positions required any college education, but 4% of positions did require vocational school education.

Installation, maintenance and repair craft workers have similar education and training requirements as do transportation jobs. This occupational category includes mechanics and repair service occupations. Respondents cited a high school diploma and license or certification as the predominant requirement for these positions. A higher percentage of jobs though require more experience than in transportation; 30% of these positions require prior experience. This occupation class also has the second highest percentage of jobs requiring vocational school education, 13% of positions.

Compared to transportation and maintenance related jobs, the vacant positions for sales workers and all service workers require significantly less education, training and experience. Looking at the last column in the table, 73% of the service jobs have no requirements associated with them. Sales positions also have a high percentage of jobs with no requirements (23%). Sales workers and other retail

employees are often paid significantly lower wages and benefits compared to other sectors.

The phone interviews showed similar findings. Skills such as truck driving with CDL and heavy equipment operators are in demand. In some firms, the company provides training and licensure or apprenticeship opportunities, but as one said,

*Most potential employees will be local, but qualified journeymen and management will come from outside.*

Finally, **Table 23** presents ranges of pay as reported by employers for positions in high demand.

**Table 23: Pay Rates Reported for a Sample of Positions in Demand**

|                              | Hourly - Range |         | Annual   |          |
|------------------------------|----------------|---------|----------|----------|
|                              |                |         |          |          |
| Truck Driver                 | \$10.00        | \$17.00 |          |          |
| CDL Truck Drivers            | \$12.50        | \$20.00 |          |          |
| Laborers (construction)      | \$9.00         | \$9.50  |          |          |
| Carpenters                   | \$11.00        | \$20.00 |          |          |
| Electricians                 | \$14.00        | \$18.00 |          |          |
| Production Operator (mining) | \$19.00        | \$26.00 |          |          |
| Sales                        | \$6.50         | \$13.20 |          |          |
| Diesel Mechanic              | \$10.00        | \$15.00 |          |          |
| Engineers                    |                |         | \$60,000 | \$80,000 |
| Nurse - RN                   | \$18.00        | \$28.00 |          |          |
| Physicians/Dentists          |                |         | \$90,000 |          |
| Caregiver                    | \$7.00         | \$8.50  |          |          |
| Housekeeping                 | \$8.00         | \$10.00 |          |          |
| Cooks                        | \$6.50         | \$12.00 |          |          |
| Waiters/Servers              | \$5.00         | \$6.50  |          |          |

Source: UNM Bureau of Business and Economic Research, Survey of Lea County Businesses, 2006-07

**APPENDIX 1**

**LEA COUNTY EMPLOYER MAIL SURVEY  
COVER LETTER AND SURVEY INSTRUMENT**



## Employer Survey on Current and Future Labor Needs & Workforce Requirements

The University of New Mexico

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Institute for Applied Research Services  
Bureau of Business and Economic Research  
1920 Lomas Blvd. NE  
Albuquerque, NM 87131-6021  
(505) 277-2216

December 11, 2006

ATTN: MANAGER OR BUSINESS OWNER

Dear Lea County Region Employer:

Lea County and the surrounding areas are experiencing economic growth and changes that need to be understood in order to develop sound public policy and realistic economic development strategies. The Bureau of Business and Economic Research (BBER), with funding provided by the Lea County Community Improvement Corporation, is analyzing the changing economy of Lea County and the surrounding area and developing economic and demographic projections (to update the Census). Critical to this effort is a workforce assessment, focusing on current and future employer workforce requirements and these relative to the size, education and training, and skill levels of the existing labor pool.

Your organization has been randomly selected among Lea County businesses of similar size and broad industrial sector to participate in a survey to identify labor force requirements now and in the future and any problems you have (or anticipate having) in meeting your labor needs.

The survey will only take a few minutes to complete but we ask that you answer the survey as fully and accurately as possible. Any information you supply will be kept confidential by BBER, and only the aggregate results of the survey will be reported. Completion and return of the questionnaire will constitute consent to participate. If you have any questions regarding the survey or confidentiality issues, please contact me at 505.277.7071 (lreynis@unm.edu) or Billy Ulibarri 505.277.7062 (bjames@unm.edu) at BBER.

Thank you very much for your participation.

Sincerely,

Dr. Lee A. Reynis  
Director

## EMPLOYER SURVEY ON FUTURE PLANS AND WORKFORCE REQUIREMENTS

**We are gathering information about the labor force needs and future plans of Lea County area employers. Please complete all sections of this survey for your operations which employ or could potentially employ Lea County residents. All information provided will be kept confidential.**

### SECTION I: EMPLOYER CLASSIFICATION

1. Type of Employer (please check one): Public (Fed., State, or Local Govt)  Private

2. Which best describes the nature of your business/organization (please check one):

|  |   |   |  |
|--|---|---|--|
| <input type="checkbox"/> Eating / Drinking       | <input type="checkbox"/> Lodging                      | <input type="checkbox"/> Mining / Extraction & Support Services | <input type="checkbox"/> Information                       |
| <input type="checkbox"/> Education               | <input type="checkbox"/> Utilities                    | <input type="checkbox"/> Professional Services                  | <input type="checkbox"/> Public Administration             |
| <input type="checkbox"/> Retail Trade            | <input type="checkbox"/> Manufacturing                | <input type="checkbox"/> Healthcare / Social Assistance         | <input type="checkbox"/> Wholesale Trade                   |
| <input type="checkbox"/> Management of Companies | <input type="checkbox"/> Transportation / Warehousing | <input type="checkbox"/> Agriculture/Forestry                   | <input type="checkbox"/> Financial, Insurance, Real Estate |
| <input type="checkbox"/> Repair / Maint Equipmt  | <input type="checkbox"/> Construction                 |   |  |
| <input type="checkbox"/> Other (specify) _____   |   |   |  |

3. Do you have paid employees? \_\_\_Yes \_\_\_No      Contract workers? \_\_\_Yes \_\_\_No

4. Please indicate the number of paid full- and part-time employees currently on the payroll of this business / organization. Please also indicate the number of contract workers:

Full-time (35+ hours per week) \_\_\_\_\_ Number in temporary/term positions \_\_\_\_\_  
 Part-time (1 – 34 hours per week) \_\_\_\_\_ Number in temporary/term positions \_\_\_\_\_  
 Number of contract or contingent workers who are not on the payroll \_\_\_\_\_

### Section II: Current and Future Operations

5. Please look over the list of choices below and indicate the first, second and third greatest challenge facing this business (mark with a 1, 2, and 3).

|   |  |
|---|--|
| <input type="checkbox"/> Keeping up with demand                             | <input type="checkbox"/> Boom & bust nature of local market  |
| <input type="checkbox"/> Increased competition (Specify _____)              | <input type="checkbox"/> Inadequate Infrastructure           |
| <input type="checkbox"/> Facility costs (mortgage, rent, utilities, upkeep) | <input type="checkbox"/> Finding good workers & keeping them |
| <input type="checkbox"/> Slack demand                                       | <input type="checkbox"/> Wage/salary costs                   |
| <input type="checkbox"/> Cost of benefits, particularly health care         | <input type="checkbox"/> Availability of labor               |
| <input type="checkbox"/> Availability of educated/skilled/experienced labor | <input type="checkbox"/> Seasonal fluctuations               |
| <input type="checkbox"/> Obtaining needed inputs/rising cost of inputs      | <input type="checkbox"/> Government regulations              |
| <input type="checkbox"/> Cost of capital /obtaining financing               | <input type="checkbox"/> Other (please specify) _____        |

6. Please check the one response that most accurately reflects your future plans regarding this business' operations in Lea County and complete the blanks:

Will be closing down our Lea County operations within \_\_\_\_\_ year(s) because \_\_\_\_\_

Plan to continue operating in Lea County but will be scaling back employment by \_\_\_\_\_ due to \_\_\_\_\_

Plan to expand operations here within the next \_\_\_\_\_ year(s) but have no firm plans regarding additional plant and/or additional employees

Plan to expand operations here within the next \_\_\_\_\_ year(s).. This expansion will require (check all that apply) \_\_\_ Moving into a new facility; \_\_\_ Addition/alteration at existing facility \_\_\_

Building a new facility. \_\_\_\_ Increasing our workforce by an estimated \_\_\_\_ employees.

d«id»

## CHAPTER 2 SECTION IV LOCAL BUSINESS CLIMATE

7. On a scale of 1 to 5, with “1” being very dissatisfied and “5” being very satisfied, rate your overall satisfaction with business climate in Lea County. \_\_\_\_\_

8. On a scale of 1 to 5, with “1” being very dissatisfied and “5” being very satisfied, rate your overall satisfaction with the work ethic and habits of those you have hired locally. \_\_\_\_\_

9. On a scale of 1 to 5, with “1” being very dissatisfied and “5” being very satisfied, rate your overall satisfaction with the education and training of those you have hired locally. \_\_\_\_\_

10. On a scale of 1 to 5, with “1” being none or minimal and “5” being serious, how serious is the drug abuse where you operate in Lea County? \_\_\_\_ If there is a drug problem, how does it affect your business? \_\_\_\_\_

11 On the same scale of 1 to 5, with “1” being none or minimal and “5” being serious, how serious is the housing shortage where your business operates in Lea County? \_\_\_\_ If there is a housing shortage, how does it affect your business operations? \_\_\_\_\_

12. If you are having difficulty attracting/keeping qualified employees, please elaborate on the actions you are taking to deal with problem (e.g., advertising out-of-state) and evaluate your success. Use extra sheet if necessary.

### Section 5. Current and Future Labor Requirements

13. On a scale of 1 to 5, with “1” being not important and “5” being very important,

- a. How important is it for your employees to be able to communicate in English? \_\_\_\_\_
- b. For them to be able to communicate in Spanish? \_\_\_\_\_
- c. For them to be able to communicate in both Spanish and English? \_\_\_\_\_

14. How many current positions in your firm require people to be physically fit and have the ability to lift 40 pounds or more? \_\_\_\_\_

15. How many current positions in your business regularly require one to work more than 40 hours a week? \_\_\_\_\_

16. We would like to know about the positions you currently need to fill, those you expect to fill in the next year or two, and those in the next 3 - 5 years. In the form below, please list these positions and their educational requirements, skill levels, expected wages, and if you consider the position difficult to fill from the local labor force. **If you are expecting to reduce the number of any positions, please indicate with a negative (-) sign.**

NOTE: We are attempting to measure the number of “positions” to be filled. This includes newly created positions, additional positions needed because of expansion, or positions vacant due to resignation/retirement. If you plan on creating one machinist job due to increased business then record one position even though experience may dictate you may need to try more than one person before you have a fit. Please see example below.

| Occupation                             | How many <u>positions</u> do you expect to fill: |                       |              | Educational Requirements / Licenses / Certificates  | High, med., low or un-skilled position? (H, M, L, U) | What is the expected hourly or annual wage? | Is this position difficult to fill from the local workforce (Y or N)? |
|--|--|-----------------------|--------------|---|--|---|---|
|  | Currently need to fill                           | Over the next 2 years | In 3-5 years |   |  |   |   |
| (Sample)<br><i>Automotive Mechanic</i> | 1  | 2                     | 2            | <i>High school diploma or GED. Certificate of completion for training in auto-mechanics from a postsecondary (vocational) school.</i> | M  | <i>\$9.50 to \$14.00 per hour</i>           | Y   |
|  |  |                       |              |   |  |   |   |
|  |  |                       |              |   |  |   |   |
|  |  |                       |              |   |  |   |   |
|  |  |                       |              |   |  |   |   |
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Please make additional copies if necessary.

Next Page Please

17. Six major skill set categories are listed below. Considering the **skilled** occupations you listed on the previous page, please indicate (circle Y for yes, N for no) which of these skill sets you feel would help improve the labor force available to your business. These categories are very broad, so please provide examples of specify the skills needed. If needed, attach a separate page.

Y N Basic Skills such as mathematics, reading, writing, etc. Please specify skills:

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Y N Social Skills such as customer service, instructing others etc. Please specify skills:

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Y N Complex Problem Solving Skills such as solving ill-defined problems in real-world settings. Please specify skills:

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Y N Technical Skills such as equipment selection, operation, control, and maintenance. Please specify skills:

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Y N Systems Skills such as evaluating costs and benefits of potential actions and identifying actions that will improve performance . Please specify skills:

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Y N Resource Management Skills such as time management skills. Please specify skills:

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18. Please list any *education or training programs* that would help meet your workforce needs. For example; a class in automotive repair for a mechanics position.

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Thank you very much for participating in this survey. Please use the self addressed stamped envelope provided to return your completed survey.

Any questions you may have should be directed to the following BBER Staff: Lee Reynis (lreynis@unm.edu 505.277-7071 or to Billy Ulibarri (bjames@unm.edu 505.277-7062.

**APPENDIX 2**  
**PHONE SURVEY OF LEA COUNTY BUSINESSES**

CODE: \_\_\_\_\_



**Bureau of Business and Economic Research**  
**Lea County Business Phone Script**

Hi. My name is \_\_\_\_\_ and I am with the Bureau of Business of Economic Research at the University of New Mexico. May I please speak to someone who is familiar with the employment needs of your company?

*What do you mean by my employment needs?*

- I'd like to speak to someone who knows what skills are needed in current and future employees.

When you identify the suitable respondent:

Hi. My name is \_\_\_\_\_ and I am with the Bureau of Business of Economic Research at UNM. We are conducting a study of Lea County's employment trends and business responses to changes in the local economy. I'd like to get your insight as a business leader in the community. I have a few questions I'd like to ask you, it shouldn't take more than 5 or 6 minutes. Your responses are confidential and your name or the name of your business will not be associated with your answers. Do you have a few minutes to answer some questions?

1. Generally speaking, are you able to meet your employment needs with the current local work force?

If **YES**:

- a. What jobs are the easiest to fill?

If **NO**:

- a. What jobs are you having trouble filling?

- b. What do you think the problem is? (*lack of training, no interest, etc*)

c. How have you addressed this in the past? (*hired from outside the area, etc*)

d. What jobs are the easiest to fill?

2. Are you anticipating the need to hire more employees over the next five years?

If YES:

a. If yes, how many positions would you estimate are necessary?

b. What skills or training are necessary in new employees?

c. Do you think you will be able to fill those positions with the local workforce or will you have to look outside the area?

If NO:

d. Do you plan on maintaining roughly the same level of operations?

3. What is your general perception of the local workforce?

Also, as part of this study, we have a confidential survey we'd like to have you complete, which also asks about your employment needs. Is there an address we can send it to?

\*Double check name and address.

**Thank you very much for your time and have a great day.**

**Voicemail Message:**

**Hi. My name is \_\_\_\_\_ and I am with the Bureau of Business of Economic Research at UNM. We are conducting a study of employment trends in Lea County in response to big changes in the local economy. I have a few quick questions I'd like to ask you, it shouldn't take more than 5 or 6 minutes. If you could call me back at 277-7062 (2216), that would be great. Thanks, and have a great day.**



