

LABOR AVAILABILITY STUDY

ANNUAL REPORT
FY 2020-2021



NEBRASKA

Good Life. Great Connections.

DEPARTMENT OF LABOR

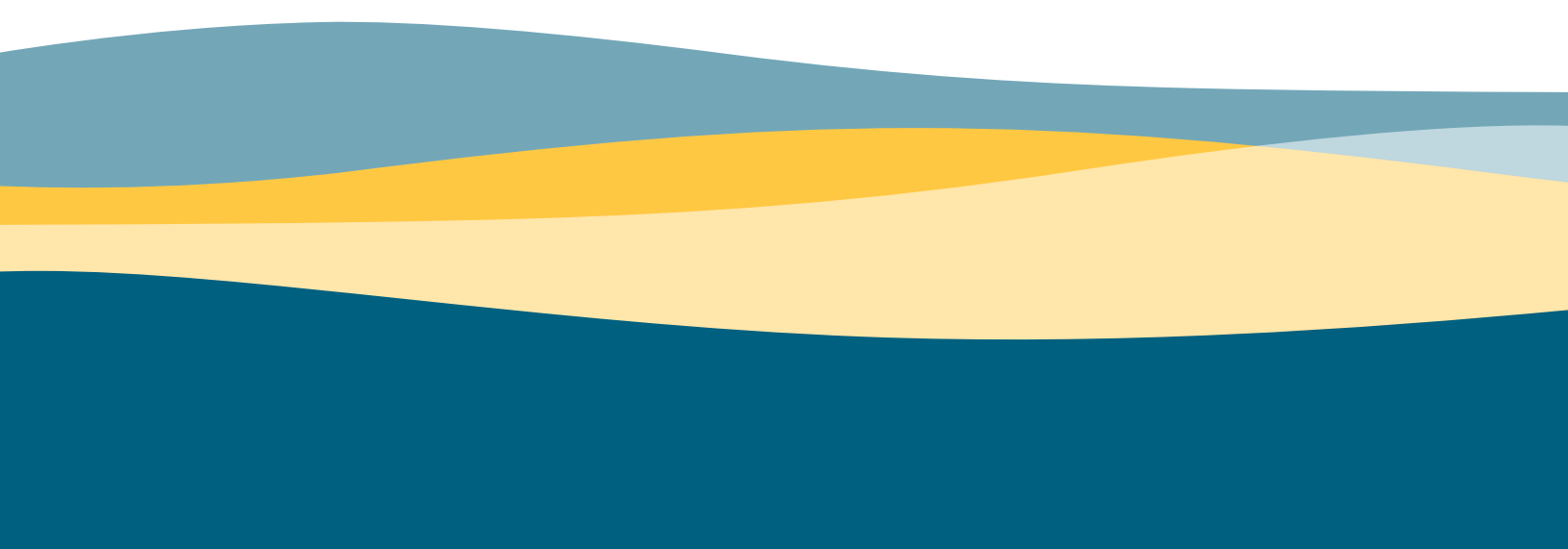
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Submitted: July 2021

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Background and Purpose

In 2016, Neb. Rev. Stat. §48-3401 to 48-3407 created the Sector Partnership Program, which allowed the Nebraska Department of Labor (NDOL) and the Department of Economic Development (DED) to continue collaborating on the research project known as the Labor Availability Study (LAS). The goal of the research project is to conduct labor availability, employer needs, and skills gap studies for selected communities in Nebraska. Neb. Rev. Stat. §48-3401 to 48-3407 states that an annual report shall be provided to the Governor and the Business and Labor Committee detailing the process and results of the labor availability, hiring needs, and skills gap studies.

Funding

LAS funding began with a federal grant and the first pilot studies were funded through the Department of Economic Development's Manufacturing Extension Program. As part of the Sector Partnership Program, the Departments of Labor and Economic Development each initially transferred \$250,000 from the Job Training Cash Fund and \$250,000 from the Nebraska Training and Support Cash Fund. Beginning July 1, 2017, the Nebraska Department of Labor has continued to fund these important surveys through the use of the Nebraska Training and Support Cash Fund.

Planning

LAS pilot projects began in Northeast Nebraska in 2013 and were published by NDOL and DED staff in the fall of 2014 with the release of the Northeast Nebraska Labor Availability Reports. In FY 2015-2016, a skills gap report was added to the LAS to determine if there was a lack of workers with a particular skill needed by employers in an area.

In 2016, seven LAS survey areas were created based on worker commuting patterns to the largest population centers in Nebraska: Omaha, Lincoln, Northeast Nebraska (Columbus,

Fremont, Norfolk), Central Nebraska (Grand Island, Hastings, Kearney), Southeast Nebraska (Nebraska City), Southwest Nebraska (North Platte) and the panhandle area of Nebraska (Scottsbluff). According to the U.S. Census Bureau, in 2010 the total population of Nebraska was 1,826,341 individuals. The LAS survey areas created in 2016, including some ZIP codes in Iowa and Wyoming, have a total population of 1,796,520 individuals with 1,345,732 individuals age 18 and over.

Typically NDOL has surveyed three areas of the state on a revolving basis. Due to the COVID-19 pandemic, NDOL paused this approach to focus on statewide impacts of the pandemic. In FY 2020-2021, NDOL collaborated with DED and the UNL Bureau of Sociological Research (BOSR) on two statewide surveys to assess pandemic-related impacts on hiring, labor availability, teleworking, and benefits offered to employees. The Statewide Survey of Hiring Needs and Pandemic Impacts was a business survey conducted by NDOL in collaboration with DED and received responses from 1,263 business establishments in 76 counties covering 98.7% of the state's population. The Nebraska Coronavirus Pandemic Labor Availability Survey, which was designed by NDOL and administered by BOSR, received responses from 1,488 households in 81 counties, covering 99.3% of the population. Figure 1 in the Appendix (on [Page 8](#)) displays a map of the 2020-2021 survey areas.

Preparations for FY 2021-2022 began in early 2021, with a change in focus away from statewide or regional surveys towards an emphasis on smaller business areas and their associated laborsheds in an effort to provide more valuable data to local communities. The first studies utilizing this new approach were in the process of being conducted at the end of FY 2020-2021 in Beatrice and Fairbury, in a similar collaboration with DED and BOSR. NDOL plans to survey a variety of additional communities in both metropolitan and non-metropolitan areas in 2021-2022.

Methodology

The Statewide Survey of Hiring Needs and Pandemic Impacts gathered information from employers about occupations for which they are hiring, benefits offered to employees, working from home, and impacts the coronavirus pandemic has had on businesses. The survey sample was created using Quarterly Census of Employment and Wages Enhanced Quarterly Unemployment Insurance (EQUI) files. Privately owned businesses with an average employment of three employees or more in the second quarter of 2020 were selected for the final sample, using selection methodology outlined in guidance published by the National Employee Benefits Consortium. The sample was designed to include establishments representing the range of industries and employment levels typical in the state. Agriculture and Public Administration industry establishments were not included in the sample.

In November 2020, NDOL mailed 4,292 letters to Nebraska establishments, requesting their participation in the survey. Instructions for completing the survey online were included, along with the option of requesting a paper questionnaire as an alternative. More than 99% of questionnaires were completed online. A total of 1,263 surveys were completed between

November 2020 and February 2021, resulting in a 30.9% response rate. Weights were assigned to the response data by NDOL in order to make them as representative of the state as possible. NDOL staff assigned Standard Occupational Classification (SOC) codes to occupations reported by respondents.

The Nebraska Coronavirus Pandemic Labor Availability Survey gathered data on the characteristics of those who were actively or potentially seeking new employment or reentering the labor force, benefits offered to and received by employees, as well as obstacles and challenges presented by the coronavirus pandemic in Nebraska.

The survey questionnaire was adapted from previous household survey projects conducted by NDOL. BOSR provided assistance with question development and formatting. Data collection began in September 2020 with the mailing of initial survey packets to 6,000 households selected by BOSR. Each survey packet contained a cover letter, questionnaire and postage-paid return envelope. A postcard reminder and two additional mailings were sent to non-respondents. A total of 1,488 individuals completed and returned the survey. The final response rate was 27.6%.

Report Findings

The business and household surveys resulted in the publication of the 2021 [Nebraska Statewide Benefits Report](#). An additional report presenting results from the 2020 statewide surveys is expected to be published in August 2021, focusing on pandemic impacts and teleworking.

Two additional Labor Availability and Hiring Needs reports covering the Central area (Grand Island, Hastings, Kearney and Lexington) and the Southwest area (North Platte, McCook, and Ogallala) were published, produced from surveys conducted in FY 2019-2020. Dr. Eric Thompson with the UNL Bureau of Business Research (BBR) also produced accompanying skills gap reports for these two areas. These reports can be found on the [NDOL Nebraska Labor Availability Study Publications page](#).

2021 Statewide Benefits Report

In April 2021, NDOL published a statewide benefits report, based on data collected from the Statewide Survey of Hiring Needs and Pandemic Impacts and the Coronavirus Pandemic Labor Availability Survey conducted in the fall and winter of 2020. The purpose of these surveys was to provide a benchmark of benefits offered to workers in the state, estimate the impact and response to the coronavirus pandemic, and to get a baseline of the prevalence of teleworking. Both surveys asked questions about benefits, coronavirus impacts and teleworking, along with questions related to demographics and hiring and training needs. In the benefit analysis of these surveys most of the data was obtained from the Statewide Survey of Hiring Needs and Pandemic Impacts. The survey asked businesses whether each of 12 benefits was offered to either full-time or part-time employees. Surveyed benefits included a range of insurance types (health, dental, vision, etc.), paid leave (vacation, sick), and other benefits (retirement plans, tuition reimbursement, child care, etc.). Results were shared with DED and the Nebraska Department of Revenue for work on projects related to the ImagiNE Act and other tax incentive programs.

Private business establishments across 18 industries were surveyed. The benefits offered to employees tended to vary depending on the size of the company and geographic area. For this reason, in addition to industry, benefit offerings were analyzed by business size and metropolitan and non-metropolitan area types. Table 1 in the appendix (on [Page 8](#)) displays results for health

insurance offered to full- and part-time employees by industry.

Household survey respondents were asked to gauge the importance of specific benefits when considering a job. The report analyzed a variety of populations such as those who either were or were not offered a benefit by their current employer, active job seekers, employed students, and those with children. Figure 2 in the appendix (on [Page 9](#)) displays data on the importance of accessible child care when considering a job.

Labor Availability and Hiring Needs Reports

In March 2021 NDOL published a Labor Availability and Hiring Needs report for both the Central area (Grand Island, Hastings, Kearney and Lexington) and the Southwest area (North Platte, McCook, and Ogallala). These reports were based on studies conducted in the fall of 2019, prior to the coronavirus pandemic.

Employers were asked to name the top three occupations that are most frequently hired at their location and were asked to indicate whether it was difficult to find workers for those occupations. Additionally, employers were prompted with reasons why it might be difficult to find workers. Table 2 in the appendix (on [Page 9](#)) displays the percentage of businesses reporting difficulty hiring and reasons for difficulty.

NDOL labor availability reports are primarily focused on the specific groups of people defined as potential job seekers and active job seekers in an area. Table 3 in the Appendix (on [Page 10](#)) displays a sample of results from the Central and Southwest area. A potential job seeker is an employed person who answered either "yes" or "maybe" to the question "Are you likely to change jobs in the next year if a suitable job is available?" A potential job seeker is also a non-employed person who answered "yes" or "maybe" to the question "Are you likely to reenter the workforce in the next year if a suitable job is available?". Active job seekers are a subset of potential job seekers who answered "yes" to the question "Are you actively seeking a new job?" At the time of the survey, there were an estimated 59,430 potential job seekers and 5,914 active job seekers in the Central area, and an estimated 17,810 potential job seekers and 1,191 active job seekers in the Southwest area.

Skills Gap Reports

In September 2020, NDOL in conjunction with BBR published skills gap reports for the Central and Southwest areas. One method of determining the congruency between the hiring needs of businesses and the available supply of new workers in a labor market is to examine the annual job openings and annual entrants to an area. Table 4 in the Appendix (on [Page 10](#)) displays data on annual openings and entrants from the Southwest skills gap report. The table also lists the percentage of employers who indicated it was difficult to hire workers due to either a poor work history or a failed background check/drug screen.

Dr. Eric Thompson, author of the skills gap reports, stated, “A skills gap is present if it is difficult for a large share of employers to hire in a particular occupation and there is also a persistent gap between the demand for new workers and the number of individuals entering that occupation.” An example of an occupation facing a skills gap is displayed in Table 5 in the Appendix (on [Page 11](#)). More than 87% of responding Central survey area employers who often hired Heavy and Tractor-Trailer Truck Drivers indicated that they had difficulty when finding workers to hire for the job. Furthermore, the estimated average annual openings (56) is greater than the combined number of graduates (20) and workers seeking to re-enter the workforce in the truck driving occupation (0).



Community Engagement

Community Partners

During the design phase of the two statewide surveys, NDOL and DED met to discuss the need for data on typical benefits packages offered to employees across the full range of industries, business sizes, and geographical areas in the state. In FY 2021-2022, NDOL hopes to enhance the value of localized surveys by working more closely with local community stakeholders. Beatrice Workforce Development and the City of Fairbury were consulted on the needs of local communities during the development of the first of these new surveys, which were in progress at the end of FY 2020-2021. Community organizations may request to collaborate on custom changes to questionnaires or reports (as with the Greater Omaha Chamber in FY 2017-2018), but no such collaborations were requested in FY 2020-2021. Communities located within survey areas are also able to request that a study is conducted for a particular population or business center (as with Sidney, Nebraska in FY 2017-2018), but no such requests were made in FY 2020-2021.

Community Outreach

The results of LAS reports are regularly provided to representatives of industry, education and the economic development community. Due to the ongoing coronavirus pandemic in FY 2020-2021, public presentations were limited. In the [August 2020 issue of Nebraska Workforce Trends](#), key findings from the 2019 Panhandle area study were presented and in the [March 2021 issue](#) an LAS analysis of statewide hiring and training needs in Nebraska's finance and insurance sector was published.

Dr. Thompson regularly presents the results of skills gaps analyses during presentations about the Nebraska economy. Specifically, BBR cites the skills gap research in presentations that consider how the skills gap influences the pace of economic growth in Nebraska. For example, Dr. Thompson included information on the sources of skills gaps in his session for the Governor's Leadership Academy on September 8, 2020.

DED staff continue to utilize and promote the LAS in their work. DED staff have used elements of these reports to show prospective businesses that it is possible to find workers with the requisite skills, even with low unemployment and high labor force participation rates. LAS provides DED the ability to describe the number of workers that are willing to change jobs or re-enter the workforce in a region. Additionally, the ability to illustrate the important factors and minimum pay required for someone to consider a new job helps a prospective employer gauge how hard it will be to find a suitable pool of prospective applicants.

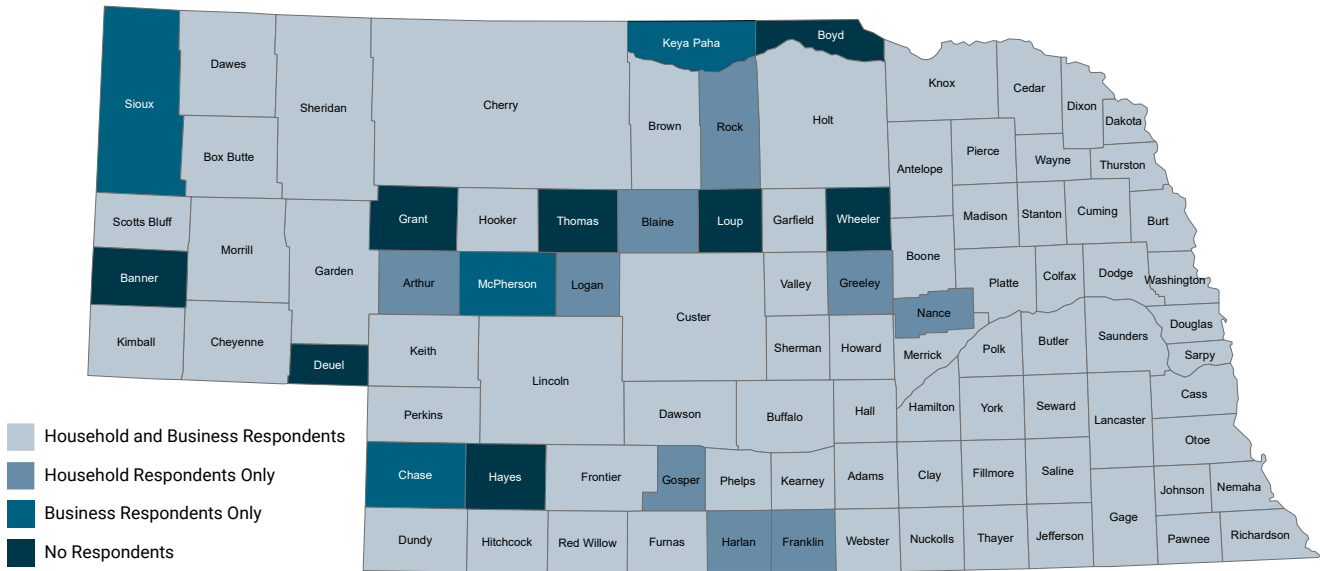
Community Feedback

Upon release of LAS reports, respondents to the business survey are given the option to be notified of publication. Educators, NDOL job center managers and area economic developers continued to show interest in LAS data.

In the March 3, 2021 issue of the Gothenburg Leader, data was featured from the [Nebraska Statewide Labor Availability Report](#) in an article entitled "[Child care crisis affects us all.](#)"

Appendix

Figure 1. Map of 2020 Statewide Survey Area



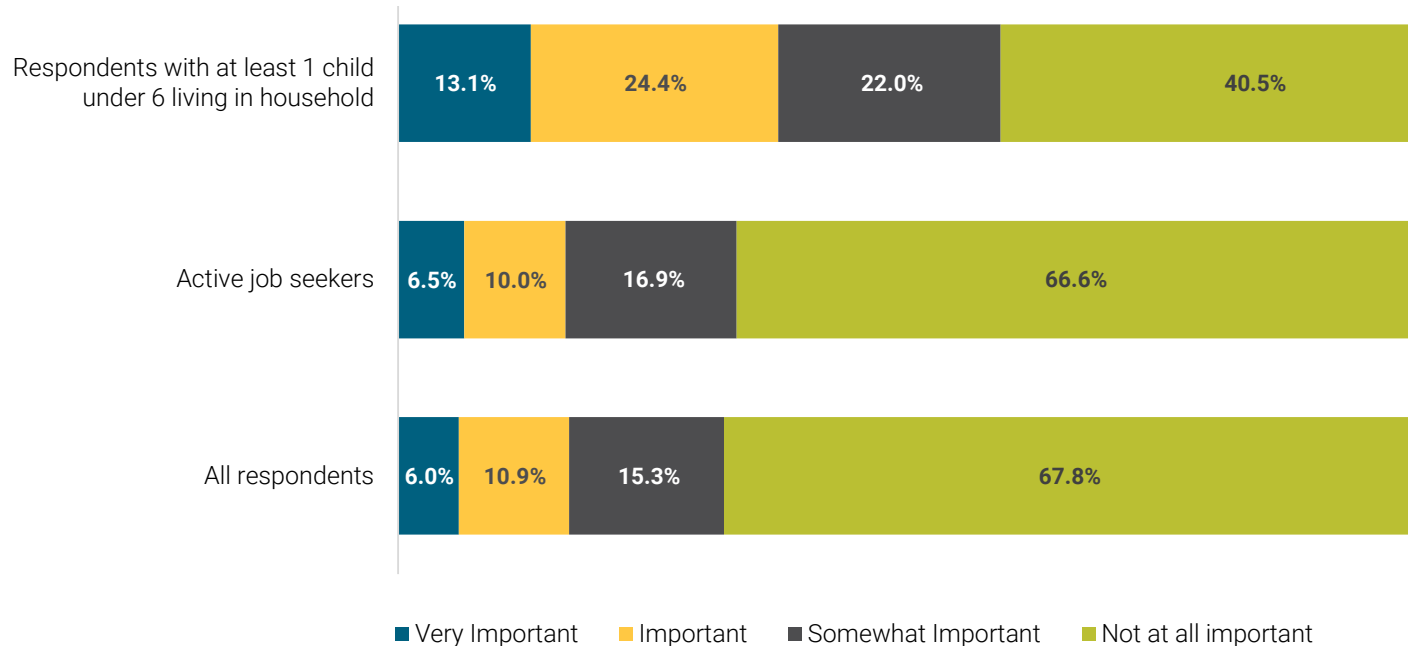
The following tables and figures contain data from the FY 2020-2021 LAS reports referenced elsewhere in this report. Full details for all areas can be found on the publications page of Neworks.nebraska.gov.

Table 1 Health Insurance Offered to Employees by Industry

Industry	Full-Time			Part-Time		
	All	Some	None	All	Some	None
Accommodation and Food Services	40.3%	5.0%	54.7%	2.5%	8.8%	88.8%
Administrative and Waste Services	68.9%	2.8%	28.3%	2.8%	13.1%	84.1%
Arts, Entertainment, and Recreation	45.2%	7.5%	47.2%	3.7%	6.9%	89.5%
Construction	55.6%	8.4%	36.0%	2.9%	3.4%	93.6%
Educational Services	37.1%	1.1%	61.8%	1.3%	4.3%	94.5%
Finance and Insurance	84.0%	3.3%	12.7%	8.1%	17.9%	74.0%
Health Care and Social Assistance	84.7%	1.2%	14.1%	19.9%	21.3%	58.8%
Information	74.8%	5.1%	20.1%	2.7%	8.8%	88.4%
Management of Companies and Enterprises	91.8%	2.7%	5.5%	12.1%	20.9%	67.0%
Manufacturing	90.3%	5.7%	4.0%	6.4%	11.3%	82.3%
Mining, quarrying, and oil and gas extraction	51.4%	8.0%	40.5%	3.9%	0.0%	96.1%
Other Services	47.8%	6.6%	45.6%	4.8%	5.5%	89.7%
Professional, Scientific, and Technical Services	76.2%	3.2%	20.6%	5.2%	19.4%	75.3%
Real Estate and Rental and Leasing	51.3%	0.0%	48.7%	1.9%	1.9%	96.2%
Retail Trade	71.4%	1.9%	26.7%	12.6%	14.2%	73.1%
Transportation and Warehousing	73.5%	3.9%	22.5%	11.3%	9.3%	79.4%
Utilities	100.0%	0.0%	0.0%	14.0%	3.2%	82.8%
Wholesale Trade	82.7%	6.5%	10.8%	1.7%	2.8%	95.5%

Source: 2021 Nebraska Statewide Benefits Report

Figure 2 Importance of Accessible Child Care When Considering a Job



Source: 2021 Nebraska Statewide Benefits Report

Table 2 Difficulty Hiring in 2019

Hiring Difficulty	Central Area	Southwest Area
Percentage of Businesses Indicating Difficulty Hiring	73.3%	72.4%
Reasons for Difficulty Finding Workers		
Not enough applicants	84.8%	82.1%
Poor work history	70.2%	73.6%
Lack occupation specific skills	63.7%	68.4%
Lack of work experience	61.0%	62.2%
Wage demands too high	49.3%	46.8%
Unavailable for required shifts	37.5%	38.7%
Failed background check/drug screen	34.6%	45.1%
Lack required licenses/certificates	23.0%	25.8%
Lack of required education	18.8%	20.9%
Language barrier	11.6%	7.2%
Citizenship/work authorization	10.8%	4.3%
Available housing in your area	8.5%	16.4%
Applicants are overqualified	6.7%	6.3%
Location of your business	4.6%	10.6%

Sources: Central Area Labor Availability and Hiring Needs Report, Southwest Area Labor Availability and Hiring Needs Report.

Table 3 Potential Job Seekers and Active Job Seekers

Survey Area	Central Area	Southwest Area
Report City	Grand Island, Hastings, Kearney, Lexington	North Platte, McCook, Ogallala
Percent of Respondents who are Potential Job Seekers in Survey Area	35.4%	32.5%
Percent of Respondents who are Active Job Seekers in Survey Area	10.0%	6.7%
Total Area Age 18 and Over Population	167,782	54,782
Estimated Number of Potential Job Seekers in Total Area (age 18 and Over)	59,430	17,810
Estimated Number of Active Job Seekers in Total Area (age 18 and Over)	5,914	1,191

Table 4 Southwest Area Total Annual Openings and Entrants and Problems with Work History

	Balance and Problems
Annual Net Openings	621
Job Held by Annual Entrants	339
Share of Applicants with:	
Poor Work History	72.3%
Failed Background Check	43.0%

Sources: IPEDS, U.S. Department of Education for graduates and Southwest Nebraska Hiring and Training Needs Survey and BBR calculations

Table 5 Central Area Key Findings for the Heavy and Tractor-Trailer Truck Drivers Occupation

Full details for all areas can be found on the [NDOL Nebraska Labor Availability Study Publications page](#).

Occupation	Heavy and Tractor-Trailer Truck Drivers (SOC 53-3032)	All Occupations
Percent Indicating It is Difficult to Hire	87.4%	73.3%
Reasons for Difficulty in Hiring		
Lack of Experience	76.5%	59.2%
Poor Work History	76.2%	69.7%
Lack of Occupation-Specific Skills	70.0%	61.7%
Failed Background Check	38.6%	33.3%
Wage Demands Too High	41.2%	46.2%
Lack of Required Licenses/Certificates	63.3%	21.0%
Language Barriers	12.7%	10.7%
Not Enough Applicants	91.2%	83.2%
Availability for Shifts Required	30.7%	36.7%
Lack of Required Education	18.8%	16.8%
Overqualified	3.4%	5.9%
Citizenship/Work Authorization	8.0%	10.1%
Available Housing	10.5%	8.3%
Location of Business	0.0%	4.2%
Other	7.1%	7.4%
Average Annual Openings		
Certificate Graduates – Bus and Truck Driver	56	
Central Community College		
Seeking to Re-Enter the Workforce – In Occupation	20	
Minimum Experience Requirement		
No experience required	27.2%	52.3%
Experience required but less than 1 year	35.2%	27.2%
1 year or more experience required	37.6%	20.5%

Sources: Central Nebraska Hiring and Training Needs Survey, Central Nebraska Labor Availability Survey, IPEDS, United States Department of Education and Labor Market Information, Nebraska Department of Labor.

Support for the NDOL Labor Availability Study

Department of Economic Development

"The Labor Availability Study (LAS) conducted by the Nebraska Department of Labor, provides DED and other organizations across the state with detailed information regarding workers' and employer's perspective of the labor market that is not available from any other source. This includes skills gaps, which highlight potential careers in which we need more workers. Specifically, DED has used the LAS data to estimate the number of potential job seekers in an area and to analyze workers' actual and desired wages by their occupation and industry for several business recruitment and expansion projects, such as Project Spark, Husky and Pavestone. Furthermore, this data can be used for talent attraction, talent retention, recruiting new companies into the state, and assisting existing companies to expand. Without LAS, DED would have no data on underemployment and would be missing a wealth of information that can be used to better target our programs."

Greater Omaha Chamber

"The Nebraska Department of Labor & LMI labor availability studies provide the Greater Omaha Chamber with essential data that is not available anywhere else. Our main uses for this data are to drive decision making on talent initiatives and provide detailed labor market statistics and projections to potential new employers in the Omaha metro. Specifically, we have collaborated with the NDOL on the 2017 Omaha study to append additional questions regarding IT talent in Omaha. This data provided detailed insights from employers on which IT occupations and skills are in demand and where shortages exist in the labor market. We have used this data to guide our Tech Talent Initiative, which is focused on attracting and retaining IT workers. We use the household survey data is to help tell the labor story to new companies considering Omaha and local companies looking to expand. This is the only data available on underemployment, which is essential information for new and expanding employers in a tight labor market. The business survey data, along with the skills gap report, help us better understand the current and future needs of local businesses that we must address in order to stay competitive as a business community. In Chamber surveys and interviews with the local business, the biggest reported challenge related to the operation of their company and potential growth is the availability of labor. The level of detail available from the NDOL studies cannot be found elsewhere and helps us to target our efforts related to this challenge. We use it to focus and evaluate our programs on talent retention and attraction, which are vital for continued job growth in the greater Omaha area and Nebraska." - Pete Thompson