

AVAILABLE LABOR FORCE IN SOUTHERN MIDDLE TENNESSEE:

AN UNDEREMPLOYMENT STUDY








I. INTRODUCTION

Conveniently located between the Nashville and Huntsville MSAs, the southern middle Tennessee counties are well positioned for businesses seeking to expand or relocate their operations. Although location itself is a critical asset, for sustainable economic growth the scope and issues related to counties' human capital should be fully analyzed and documented. A review of business expansion and retention literature suggests that availability of labor force for a particular business operation is at the top of concerns in business relocation and expansion decisions. Unfortunately, official data regarding labor force availability presents an incomplete picture of counties' real potential. This report thus goes beyond what is publicly available to provide an in-depth assessment of the available labor force in selected southern middle Tennessee counties.

The Business and Economic Research Center (BERC), Middle Tennessee State University, prepared this report in close cooperation with the industrial development boards of the seven counties in southern middle Tennessee. The phone survey for this study was conducted by Mid-South Survey Research Center, University of Memphis, between July 14 and July 29, 2009.





I.A. Study Region

The study region includes the following seven counties:

-  Bedford
-  Coffee
-  Franklin
-  Grundy
-  Lincoln
-  Moore
-  Warren





Throughout this report, we use the following regional concepts interchangeably:

-  the seven-county region,
-  the study area,
-  the study region, and
-  Local Workforce Investment Area 6 (LWIA 6).

I.B. Study Tasks, Research Questions, and Study Rationale

The goal of this study is to identify and analyze the scope and characteristics of the available labor force in the study area. The study aims to answer the following two major questions:

-  What is the total available labor force defined as “unemployed,” “underemployed,” and “marginally attached”?
-  What are the characteristics of each component of the available labor force?

Understanding and analyzing the scope and characteristics of the available labor force are critically important for southern middle Tennessee counties as they strive to attract new businesses to the area. When a prospective business expresses an interest in relocating to the study area, availability of workforce is one of its main concerns. Official unemployment figures are often not a useful metric for determining the availability of workers.

How can we then measure the available labor force in the study area, and what do we mean by “available labor force”? As further clarified in the methodology section, available labor force includes segments of the population over 18 years old who are “underutilized” in the study area economy. This underutilization manifests itself in many forms; common measures of the extent of underutilization of a region’s productive capacity include the number of “unemployed,” “underemployed,” and “marginally attached.” Underutilization of human capital occurs for a variety of reasons: job loss, economic downturn, structural change in the economy, or existence of barriers to employment.



Identifying the number of underutilized workers and analyzing their characteristics can help the study area economy in three distinct ways:

- 🏡 The area will be able to attract new businesses by demonstrating that they have the necessary business environment to accommodate prospective employers' needs.
- 🏡 Underutilization of human capital is a loss to the area economy; identifying and addressing the causes of underutilization will help the area create sustainable economic growth.
- 🏡 Proper utilization of human capital in the area ensures better-paying jobs and job satisfaction for the labor force, improving economic welfare and mental health.