

Post-Katrina Workforce Evaluation Report

May 2006

Prepared by JEDCO's Economic Development Services Department



**Economic development planning
for Jefferson Parish**

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EXECUTIVE SUMMARY

- The Post Katrina Workforce Evaluation is the first parish wide effort to determine the current workforce needs of Jefferson Parish's largest employers since the storm. The survey will serve as a tool to identify trends and perceptions from employers regarding their workforce.
- The survey was mailed to the largest two-hundred and fifty (250) public and private employers in Jefferson Parish; ninety-four (94) companies responded representing a thirty-eight percent (38%) response rate.
- Of the companies that provided salary/wage information, eighty-four percent (84%) increased their salary/wage as a result of Hurricane Katrina, while 16% remained unchanged.
- Seventy-four percent (74%) of responding companies are experiencing difficulty recruiting workers for vacant positions.
- Employers are nearly split on whether or not the workforce shortage is a long-term problem or a short-term problem.
- Of the 77 companies quantifying their operating capacity, sixty-four percent (64%) are currently operating at 80% or above.
- Of the companies that responded, 2,889 employees did not return. These companies anticipate that only 14% of the displaced workers will return. Lack of housing and the availability of FEMA assistance were the most frequently cited reasons why employees have not returned.
- Temporary housing assistance is being provided by thirty-three percent (33%) of companies.
- Fifty-two percent (52%) of the companies indicated that they have participated in local job fairs.
- Fifty-seven percent (57%) of respondents stated that the demand for their product or service has increased since 8/29/05, while 11% stated that the demand has decreased. The remaining 32% indicated that the demand has remained stable.
- According to the responding companies, the occupations in highest demand are registered nurses, welders and pipe fitters. A detailed list of available occupations can be found in Appendix B.

INTRODUCTION

As of January 2006, 17% of the Jefferson Parish population had not returned after Hurricane Katrina.¹ The numbers were greater for Orleans, Plaquemines and St. Bernard Parishes. The displaced population represents a significant component of Jefferson Parish's workforce. The critical shortage of available workforce has been a serious issue affecting numerous employers following Hurricane Katrina. Companies participating in the survey believe that a lack of housing coupled with the availability of FEMA assistance are contributing factors to the displaced workforce. A number of employers have expressed that the workforce shortage is the overriding impediment to the resumption of normal business operations.

In January 2006, JEDCO, aware of this crisis, designed and distributed a one page questionnaire to the two-hundred and fifty (250) largest employers in Jefferson Parish as a part of its post-Katrina recovery operations. As of April 14, 2006, ninety-four (94) companies had responded. The purpose of the evaluation was to determine the current workforce status among our largest employers and to determine trends and perceptions among these employers. The survey posed questions relating to pre and post Katrina conditions.

The results reflect the challenges that our largest employers are experiencing while trying to recover physically and economically from Katrina. This report will be forwarded to the Jefferson Parish Workforce Investment Board, the Workforce Connection, the Jefferson Chamber of Commerce and the Department of Labor for consideration in developing immediate workforce replacement strategies.

¹ http://www.claritas.com/claritas/Default.jsp?ci=1&pn=hurricane_katrina_data

METHODOLOGY

The Post Katrina Workforce Evaluation effort was designed to survey the top 250 employers within Jefferson Parish to determine their current operating status and their workforce issues, if any. A list of 250 targeted companies was compiled. These 250 companies represented a total employment of 83,449 according to JEDCO's internal database. All of the targeted companies were mailed a survey along with a letter of introduction signed by JEDCO's Executive Director. This letter introduced JEDCO to the company and outlined the purpose of the survey.

In order to achieve a meaningful response rate, JEDCO conducted three mailings. Company representatives were asked to return the questionnaire to JEDCO via fax or through the mail in a self addressed, stamped envelope which was provided. The first mailing was conducted on January 30, 2006, followed by the second mailing on February 17, 2006, and the third and final mailing on March 06, 2006. As of April 14, 2006, ninety-four (94) companies had responded. Responses to the questionnaire were compiled and entered into JEDCO's business retention and expansion database.

Graph 1 and Chart 1 both depict the distribution of targeted companies by industry sector.

GRAPH 1: DISTRIBUTION OF TRAGETED COMPANIES BY INDUSTRY SECTOR

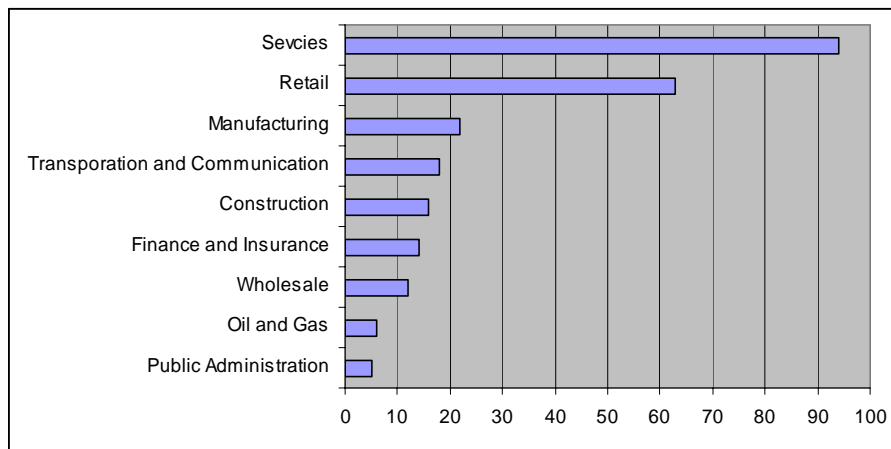


CHART 1: DISTRIBUTION OF TRAGETED COMPANIES BY INDUSTRY SECTOR

<u>Industry</u>	<u>Number Surveved</u>	<u>Percent Surveved</u>
Services	94	38%
Retail	63	25%
Manufacturing	22	9%
Transportation and Communication	18	7%
Construction	16	6%
Finance and Insurance	14	6%
Wholesale	12	5%
Oil and Gas	6	2%
Public Administration	5	2%
TOTAL	250	100%

SUMMARY OF RESULTS

Ninety-four (94) companies out of 250 completed and returned the survey. This represents a response rate of thirty-eight percent (38%). The results of the questionnaire are listed below. A copy of the questionnaire is located in *Appendix A*.

QUESTIONNAIRE

1. Number of employees before 8/29/05?

The ninety-four (94) companies that responded to the questionnaire employed approximately 34,297 workers before 8/29/05. This represents 17% percent² of the total employment in Jefferson Parish before Hurricane Katrina.

(1 company did not provide employment numbers prior to 8/29/05)

1A. Current number of employees?

The ninety-four (94) companies that responded to the questionnaire currently employ 29,950 or 4,347 fewer than before 8/29/05. This represents a 14% percent decrease in employment among these 94 companies.

(1 company did not provide their current number of employees)

2. Average wage/salary before 8/29/05 vs. Current average wage/salary?

Of the fifty-six (56) companies that responded, 45 (80%) stated that their average hourly wage was \$12.20 before 8/29/05. Post-Katrina, these companies raised their hourly wage to an average of \$14.03. This represents an increase of \$1.83 per hour, or 13%. Eleven (11) companies responding to the questionnaire were paying an average annual salary before 8/29/05 of \$40,177. Their average annual salary after 8/29/05 is \$43,587, representing an increase of \$3,410 annually, or 8%.

² Department of Labor. Employment data from the Civilian Labor Force Summary of 196,903 in 2005 (not seasonally adjusted).

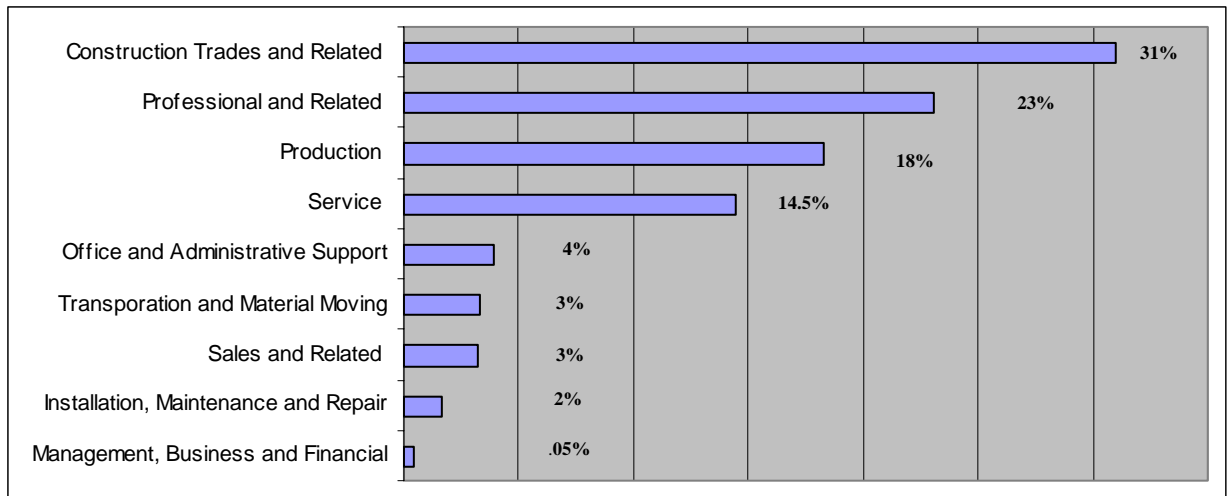
3. Are you experiencing difficulty recruiting workers for open positions?

74% or 70 of the companies are experiencing difficulty recruiting workers for open positions. Since 8/29/05, at least 3,966 positions remain vacant. The largest unmet demand is for registered nurses, welders and pipe fitters. Truck drivers, medical assistants, laborers and food and beverage service workers were also identified as occupations in high demand (Appendix B). The current shortages are reflected below. JEDCO staff has further grouped vacant positions according to the Department of Labor's Occupational Outlook Handbook, 2006 – 2007 Edition. For a detailed breakdown of education requirements for the available occupations, please view Appendix C.

CHART 2: DISTRIBUTION OF AVAILABLE OCCUPATIONS

<u>Type of Vacant Occupations</u>	<u>Number of Positions</u>
Construction Trades and Related	1,235
Professional and Related	922
Production Occupations	732
Service	574
Office and Administrative Support	158
Transportation and Material Moving	133
Sales and Related	128
Installation, Maintenance and Repair	66
Management, Business and Financial	18
TOTAL	3,966

GRAPH 2: DISTRIBUTION OF VACANT POSITIONS BY INDUSTRY



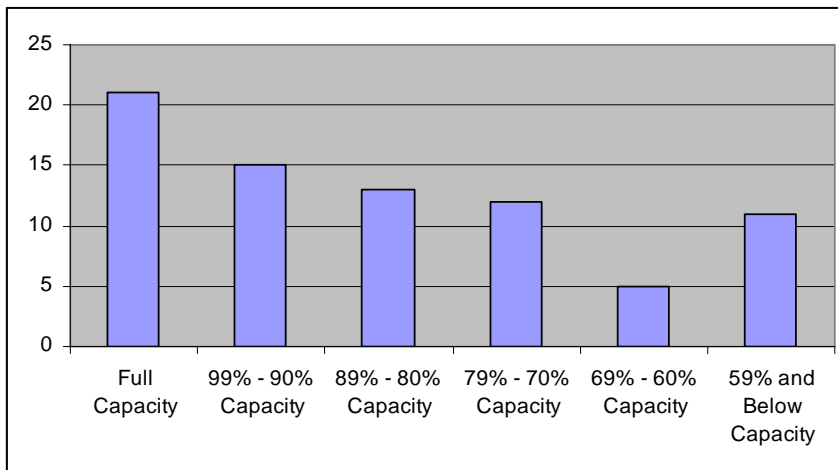
4. If you are experiencing a workforce shortage, do you deem this problem to be Short Term / Long Term?

The companies surveyed are equally divided as to whether the workforce shortage will continue. Out of sixty-five (65) responses, thirty-two companies (32) deem the workforce shortage to be a long-term problem while thirty-three (33) see it as short-term.

5. At what capacity are you currently operating?

49 of the respondents or 64% are currently operating at 80% capacity or above. Of those 49, twenty-one (21) are operating at full capacity. 17 companies are operating between 51% - 79% and only 11 companies are operating 50% or below.

GRAPH 3: OPERATING CAPACITY



Seventeen companies (17) did not answer this question.

6. How many of your employees are still displaced?

Fifty-four (54) companies have a total of 2,889 employees who are still displaced.

6A. How many are planning to return to work?

Employers know of 392 employees who plan on returning to work. Only 14% of the displaced employees intend to return.

7. For those displaced employees who are not returning to work, in your opinion, why have they not yet done so?

Of the sixty-eight (68) companies who responded, thirty-five (35) companies or just over 50% cited a lack of housing as the main reason that their displaced employees had relocated to other parts of the United States. Other reasons given were: FEMA assistance and employees being transferred to other company locations within the U.S.

8. In which cities are the majority of your displaced employees?

Sixty (60) companies indicated that a majority of their displaced employees are residing within the following cities.

Atlanta, GA	Baton Rouge, LA	Lafayette, LA
Dallas, TX	Houston, TX	Orlando, FL

9. Does your company provide on-the-job training?

On-the-job training is being provided by 84 companies (89%).

10. Have you participated in any local job fairs?

49 companies or 52% have participated in local job fairs.

10A. If so, would you consider your participation successful?

Only 47% of companies that took part in local job fairs considered their participation successful.

11. Would you consider participating in out-of-town job fairs?

Thirty-six (36) or 38% of the companies would consider participating in out-of-town job fairs.

11A. If so, which cities?

Baton Rouge, LA (11)	Houma, LA (4)	Mc Comb, MS (1)
Biloxi, MS (1)	Houston, TX (9)	Mobile, AL (1)
Atlanta, GA (1)	Jackson, MS (1)	Thibodaux, LA (1)
	Lake Charles, LA (1)	

Companies would also be willing to travel to the North Shore (4) and the Mississippi Gulf Coast (8) to find employees.

12. Does your company currently provide temporary housing for employees?

33 % of the companies (31) currently provide temporary housing for their employees.

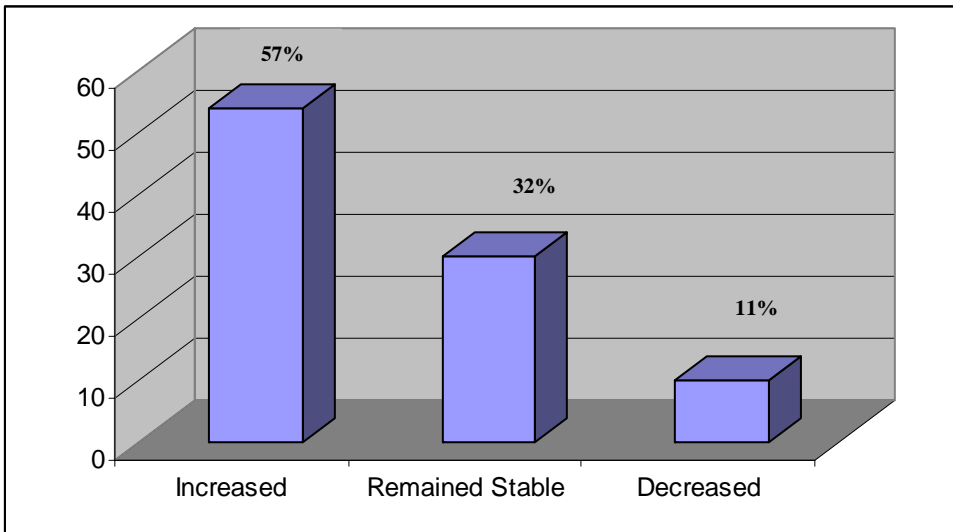
12A. If not, are you willing and able to accommodate temporary housing for employees?

9 companies are willing to facilitate temporary housing for employees.

13. Since the hurricane, has demand for your product increased, decreased or remained stable?

Fifty-four (54) companies stated that the demand for their product or service has increased since 8/29/05, while only ten (10) companies indicated that the demand has decreased. Thirty (30) companies stated that the demand has remained stable.

GRAPH 4: DEMAND FOR PRODUCT OR SERVICE

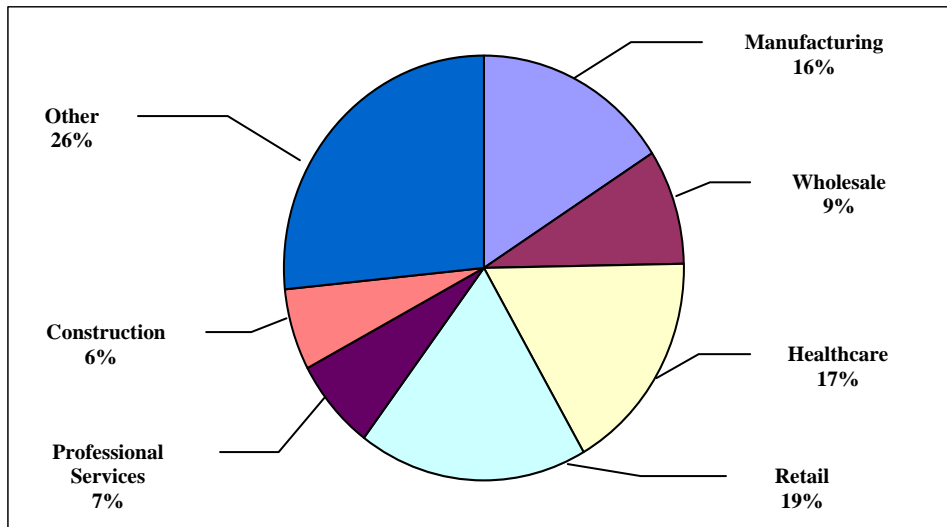


14. What best describes your sector?

CHART 3: DISTRIBUTION OF RESPONDENTS BY INDUSTRY

<u>Industry</u>	<u>Number of Respondents</u>	<u>Percentage of Respondents</u>
Manufacturing	15	16%
Wholesale	8	9%
Healthcare	16	17%
Retail	18	19%
Professional Services	7	7%
Construction	6	6%
Other	24	26%
TOTAL	94	100%

GRAPH 5: DISTRIBUTION OF RESPONDENTS BY INDUSTRY



15. Are there any companies in your industry that are not operational as a result of the hurricane?

Forty-seven companies (47) are aware of other companies that are no longer operational as a result of the hurricane.

16. Has your company ever posted open positions on www.laworks.net?

Forty-nine companies or 60% of the companies that responded have posted open positions on www.laworks.net.

Twelve (12) companies did not answer question 16.

16A. If so, were you successful in finding qualified candidates?

Nineteen companies (19) or 39% of the forty-nine (49) companies posting open positions on www.laworks.net were successful in finding qualified candidates.

17. What resources does your company typically utilize to recruit new employees?

CHART 4: RECRUITMENT RESOURCES

<u>Resources</u>	<u>Number of Respondents</u>	<u>Percent of Respondents</u>
Local Periodicals	60	72%
High Schools	9	11%
Internet	45	54%
Proprietary Schools	2	2%
Employee Referrals	55	66%
Employment Agencies	20	24%
Community / Technical Colleges	20	24%
Community-Based Organizations	9	11%
Other	20	26%

Twelve (12) companies did not answer this question

CONCLUSION

With a 38% response rate, the Post Katrina Workforce Survey provides a meaningful snapshot of the workforce problems that Jefferson Parish's top 250 employers are experiencing approximately six months after the hurricane. A vast majority of these companies are having difficulty recruiting workers and have increased wages and salaries in the aftermath of Katrina. Whereas a majority of companies had participated in local job fairs, fewer than half deemed them successful.

Registered nurses, welders and pipe fitters comprise the occupations in highest demand. This is not surprising since these positions were difficult to fill before the storm and also represent most of the occupations at Jefferson Parish's top employers, those with workforces in excess of 5,000. Employers are equally divided in their opinion as to whether the workforce problem is long-term or short-term.

The businesses collectively have nearly 3,000 employees displaced; only 14% intend to return. Lack of housing and the availability of FEMA assistance were cited as contributing factors. Despite the evident workforce shortages, the survey revealed some positive news. Sixty-four percent (64%) of the companies (those willing to respond to this question) are operating at 80% capacity or above. Twenty-one are actually operating at 100%. A slight majority of the companies surveyed indicated that demand for their products or services had increased since the storm.

Several respondents chose to submit written comments as well. They reflect the challenges that our businesses are experiencing; others express optimism.

JEDCO is grateful to the employers who participated in the survey. These results will be forwarded to the Jefferson Parish Workforce Investment Board, the Workforce Connection, the Jefferson Chamber of Commerce and the Department of Labor for consideration in developing immediate workforce replacement strategies. It is essential that any workforce replacement strategy be employer driven.

AFTERWORD

JEDCO offers its own recommendations to these agencies. While significant amounts of On-the-Job Training funds and other workforce training grants are available, training and funding do not appear to be the paramount issue. The recruitment of interested and qualified applicants, whether for work or training, seems to be the real problem. It was significant challenge for Jefferson Parish employers before Katrina. With a reduced population in Orleans, Plaquemines and St. Bernard Parishes, the problem of finding suitable workers has exacerbated. It is critical that the parish's workforce delivery system define and implement a recruitment process that proactively matches employers with qualified candidates, whether for training or employment.

APPENDIX A

Please take a few moments to complete the following survey. This information is necessary to gain better understanding of the workforce shortage created by Hurricane Katrina. You may use the back of the form for additional comments.

Completed by:

Name: _____ Title: _____

Phone: _____ Fax: _____ E-mail _____

1. Number of employees before 8/29/05: _____ Current number of employees: _____

2. Average wage/salary before 8/29/05: _____ Current average wage/salary: _____

3. Are you experiencing difficulty recruiting workers for open positions? Yes No

If yes, list the specific job title(s) in which you are experiencing the greatest shortage and the number of vacancies. Also provide the educational level needed for these positions: NH - No HS Diploma, HS - High School/GED, PS - Post-Secondary Training, AS - Associates Degree, BA - Bachelor's Degree, PB - Post-Bachelor Degree.

Occupation	# of Positions	Education Level	Occupation	# of Positions	Education Level

4. If you are experiencing a workforce shortage, do you deem this problem to be: Short-Term Long-Term

5. At what capacity are you currently operating? _____%

6. How many of your employees are still displaced? _____ How many are planning to return to work? _____

7. For those displaced employees who are returning to work, in your opinion, why have they not yet done so?

8. In which cities are the majority of your displaced employees? _____

9. Does your company provide on-the-job training? Yes No

10. Have you participated in any local job fairs? Yes No

If so, would you consider your participation successful? Yes No

11. Would you consider participating in out-of-town job fairs? Yes No

If so, which cities? _____

12. Does your company currently provide temporary housing for employees? Yes No

If not, are you willing and able to accommodate temporary housing for employees? Yes No

13. Since the hurricane, has demand for your product Increased Decreased Remained Stable

14. What best describes your sector?

Manufacturing Wholesale Healthcare Retail Professional Services

Construction Other _____

15. Are there any companies in your industry that are not operational as a result of the hurricane? _____

16. Has your company ever posted open positions on www.laworks.net? Yes No

If so, were you successful in finding qualified candidates? Yes No

17. What resources does your company typically utilize to recruit new employees?

Local Periodicals Internet Employee Referrals Community/Technical Colleges

High Schools Proprietary Schools Employment Agencies Community-Based Organizations

Other _____

APPENDIX B

CURRENT SHORTAGES

Occupational titles provided by employers were classified into nine major categories as defined in the Occupational Outlook Handbook, 2006-2007 Edition, United States Department of Labor, Bureau of Labor Statistics. Listed below are the occupations in which respondents are finding it difficult to fill current openings.

Management and Business and Financial Operations Occupations

Construction Manager (13)	Internal Auditor (1)
Financial Manager (1)	Computer and Information Systems Manager (2)
Food Service Manager (1)	

Professional and Related Occupations

Clinical Laboratory Technicians (45)	Licensed and Practical Nurses (40)
Computer Systems Analysts (2)	Pharmacists (2)
Dietitians and Nutritionists (18)	Psychologists (70)
Drafters (3)	Registered Nurses (736)
Engineers (6)	

Service Occupations

Building Cleaning Workers (38)	Grounds Workers (13)
Food and Beverage Serving Workers (209)	Home Health Aide (5)
Food Preparation Workers (61)	Medical Assistants (197)
Gaming Services Occupation (16)	Security Guards (35)

Sales and Related Occupations

Cashiers (30)	Sales Representatives, Wholesale and Manufacturing (45)
Counter and Rental Clerks (12)	Demonstrators, Product Promoters and Models (41)

Office and Administrative Support Occupations

Bill and Account Collectors (1)	Office and Administration Support (24)
Bookkeeping and Accounting (1)	Order Clerks (16)
Customer Service Representatives (9)	Shipping, Receiving and Traffic Clerks (40)
Gaming Cage Worker (2)	Stock Clerks (63)
Hotel Desk Clerk (2)	

Construction Trades and Related Workers

Carpenters (46)	Electricians (15)
Construction Equipment Operators (71)	Painters (43)
Construction Inspectors (8)	Pipe Fitters and Steamfitters (893)
Construction Laborers (159)	

Installation, Maintenance and Repair Occupations

Automotive Body and Related Repairers (2)	Heating, Air Conditioning (4)
Automotive Service Technician (22)	Home Appliance Repair (4)
Coin and Vending Machine Repair (1)	Line Installers (18)
Diesel Mechanic / Technician (3)	Maintenance and Repair Workers (12)

Production Occupations

Food Processing Occupations (80)	Textile Occupations (17)
Machine Operator (19)	Welders (608)
Prepress Technicians (8)	

Transportation and Material Moving

Truck Drivers (113)

Water Transportation (20)

APPENDIX C

EDUCATION REQUIREMENTS

Listed below are the education levels required for an individual in order to fill current openings.

Management and Business and Financial Operations Occupations

High School / GED (14)

Bachelor's Degree (4)

Professional and Related Occupations

High School / GED (75)

Post Secondary Training (62)

Associates Degree (113)

Bachelor's Degree (672)

Service Occupations

No HS Diploma (250)

High School / GED (254)

Post Secondary Training (67)

Associates Degree (3)

Sales and Related Occupations

No HS diploma (7)

High School / GED (78)

Post Secondary Training (32)

Associates Degree (6)

Bachelor's Degree (5)

Office and Administrative Support Occupations

No HS diploma (69)

High School / GED (78)

Post Secondary Degree (5)

Bachelor's Degree (6)

Construction Trades and Related Workers

No HS diploma (320)

High School / GED (142)

Post Secondary Training (773)

Installation, Maintenance, and Repair Occupations

No HS diploma (7)

High School / GED (49)

Post Secondary Training (10)

Production Occupations

No HS diploma (147)

High School / GED (75)

Post Secondary Training (510)

Transportation and Material Moving

No HS diploma (7)

High School / GED (107)

Post Secondary Training (19)

APPENDIX D

EMPLOYER COMMENTS

Comments that were expressed by employers while completing the evaluation. To maintain confidentiality, company names were excluded.

I cannot state this enough the lack of skilled workers is directly correlated by the lack of housing if we had more housing the workers would come. – Construction Company

All displaced employees were provided FEMA trailers. It took several months to fill vacant positions. Only hired 4 to 5 new employees after the hurricane. – Wholesale Trade Company

Raise in pay rate makes it hard to compete, over paying payroll by 40% . - Wholesale Trade Company

The job fairs were not successful. Always openings for available positions and can provide apartment for employees. – Death Care Company

Can only provide minimal housing for employees and business has increased tremendously since the hurricane. – Construction Company

Having trouble competing with companies out of state that are in the same business but their operations have been affected by the hurricane – Construction Company

Call center was damaged and had to be out sourced. - Telemarketing Company

Increased wages about 10% - Construction Company

Demand for product has decreased by 20 - 25 percent. Have landed one employee through LA Works after the hurricane. – Healthcare Company

Higher wages for unskilled labor. Nurses are available b/c other hospitals are closing. Mostly recruit unskilled labor from employment agencies. Provide on the job training but employees must already have some experience in that field. 30% turnover rate – Healthcare Company

The SBA is worthless, you can call me to discuss. The government would be better served doing away with it. – Healthcare Company

We have offered some employees the opportunity to return and they have declined for other employment. Subsequently we are getting charged for unemployment. – Wholesale Trade Company

In the process of ending a short term lay-off of all employees. Almost all of our previous employees have returned after the storm. – Wholesale Trade Company

No change in wages and all employees have returned. – Professional Service Company

Three other homes are short on staff. Wages have increased 30% and demand for service has increased ten times. - Healthcare Company