

# **TARGET INDUSTRY PROFILE**

## **Logistics and Distribution Centers**

Prepared for:

**DEVELOPMENT CORPORATION OF ABILENE INC.**

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## INTRODUCTION

This target industry profile is the product of a contract between the Wadley-Donovan Group (WDG) and the Development Corporation Of Abilene, Inc. (DCOA). WDG was retained by DCOA to profile six target industries for the West Central Texas region.

The West Central Texas study area is a 19-county region consisting of Taylor, Brown, Comanche, Coleman, Mitchell, Nolan, Runnels, Fisher, Kent, Scurry, Stonewall, Haskell, Jones, Knox, Shackelford, Stephens, Throckmorton, Callahan and Eastland counties.

For purposes of WDG's target industries analysis, the 19-county region was divided into seven sub-regions chosen by DCOA. The seven regions and the counties in the sub-regions are listed below, and shown in Figure 1:

- **Abilene Sub-region:** Taylor County
- **Brownwood Sub-region:** Brown County, Comanche County, Coleman County
- **Sweetwater Sub-region:** Mitchell County, Nolan County, Runnels County
- **Snyder Sub-region:** Fisher County, Kent County, Scurry County, Stonewall County
- **Haskell Sub-region:** Haskell County, Jones County, Knox County
- **Breckenridge Sub-region:** Shackelford County, Stephens County, Throckmorton County
- **Eastland Sub-region:** Callahan County, Eastland County

This document identifies and profiles the target industry *Logistics and Distribution Centers* for the Abilene, Eastland, Haskell, Snyder and Sweetwater sub-regions.

Logistics and distribution centers are a viable target industry for these sub-regions. Recent articles by logistics industry experts have indicated that although dot-coms and the technology industry have taken a beating in recent years, the growth of e-commerce has spurred a heightened level of construction of state-of-the-art distribution properties. The nation's leading commercial and industrial real estate brokers report a steady demand for warehousing at all levels. U.S. industrial markets such as the West Central Texas region, which are under-tapped for these operations but offer strong transportation amenities, will be targeted by logistics companies looking to get closer to their consumers and save on their real estate costs.

This target is comprised of two sectors each of which would function as a regional center serving the western portion of the State of Texas.

1. *Trucking and Warehousing* establishments providing pick-up, transport, storage, and delivery of a variety of goods.
2. *Wholesale Trade* establishments, which stock and sell a variety of goods to other businesses, governments, or institutions such as universities or hospitals.

Logistics and distribution facilities locating in the Abilene, Eastland, Haskell, Snyder, and Sweetwater sub-regions of the West Central Texas region would benefit from a supportive operating environment that includes:

- Excellent north/south and east/west access via Interstate and state highways.
- Below-average wage costs when compared to state and national averages.
- A well-educated and available workforce.
- An established and diversified base of both manufacturing and service sector industries.
- A well-established physical infrastructure including roads, rail, utilities, and airport, coupled with a sophisticated telecommunications infrastructure offering state-of-the-art services and equipment.
- Reliable and abundant electric power.
- Sufficient clean water and sewage treatment capacities.

- A highly rated quality of life, coupled with an overall cost of living well below the U.S. average, which is a significant asset in attracting professional and managerial talent from outside the area.
- Multiple post-secondary institutions, namely Abilene Christian College, Hardin-Simmons University, McMurray University, Cisco Junior College, and Texas State Technical College-Abilene, Texas State Technical College-Brownwood, Central Texas Commercial College, and Howard Payne University. These institutions graduate more than 1,850 students annually. A new branch campus of Texas Tech is opening in Abilene offering graduate degrees in computer engineering.

The logistics and distribution target meets the following goals:

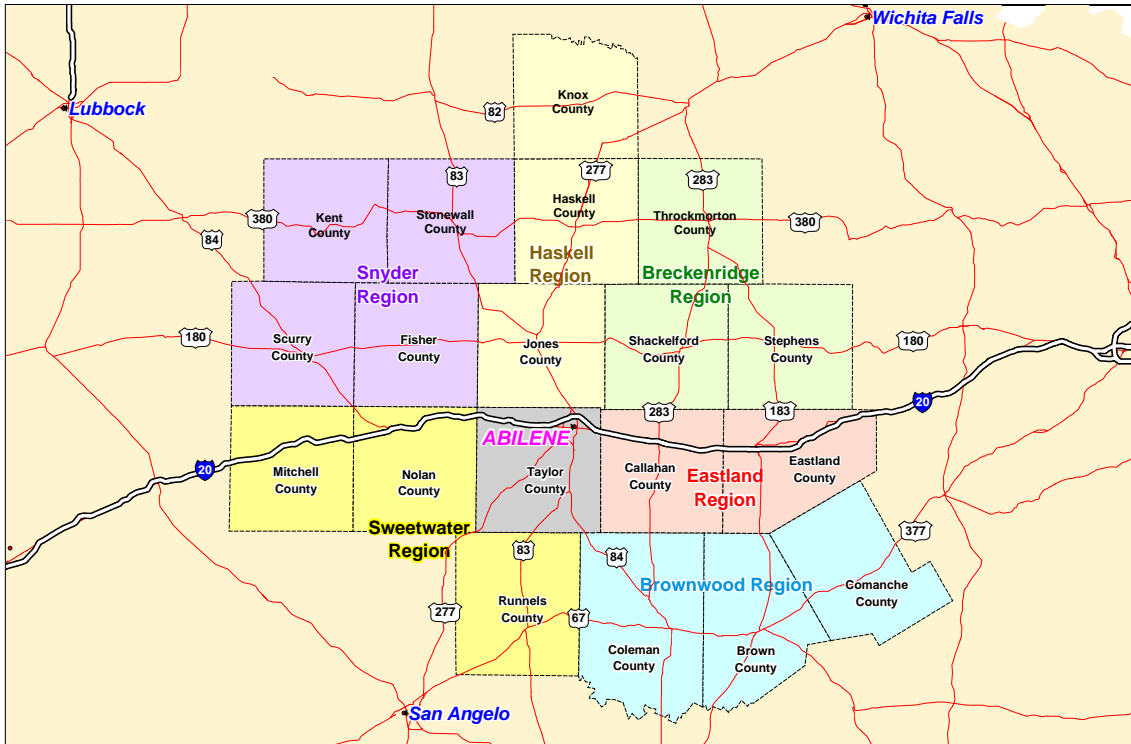
- It offers the best match between the competitive opportunities of the area, industry needs, and industry location trends.
- It builds off the West Central Texas region's blend of assets and challenges.
- It offers the area greater economic diversity and the chance to expand existing industry activities into more advanced operations.
- It offers the best and most realistic recruiting opportunities.
- It offers diversified employment opportunities for the area's residents and labor market, including Dyess AFB spouses.
- It offers opportunities for economic advancement through growing industries, technology intensive industries or industries that are showing continued capital and human resource investment.
- It offers a balance between environmentally sustainable development and the need for "living wage" opportunities.
- It does not burden the area's infrastructure and resources.
- It offers a broad diversity of job opportunities, including executive, managerial, professional, technical, administrative and clerical, and production.

This reports is being submitted in conjunction with a full labor market, education, and infrastructure assessment and action plan of the 19-county region. That assessment provides additional detail to the findings outlined in this report.

These studies utilize the results of employer and educator interviews, data gathered from secondary sources, and the findings from the labor and infrastructure analysis completed by WDG and Science Applications International (SAIC).

WDG is a Grubb & Ellis Company that specializes in location consulting. Its clients include many of the world's leading companies. As an outgrowth of this corporate consulting, WDG is frequently asked by economic development agencies and utilities to assist them with their economic development programs. Assistance is typically provided in sales and marketing, strategic planning, and overall product development. Clients have included Hillsborough County, FL, New Orleans; Tulsa; Buffalo; Cincinnati; Orange County and Orlando, FL; Joplin, MO; Phoenix; Asheville, NC; Eastern Idaho; Memphis; Raleigh; Richmond; Jackson, TN; Mobile; Collier, Charlotte, and Lee Counties, FL; and the states of Delaware, Iowa, Maryland, Arkansas, Kentucky, Kansas, Wisconsin, and Washington.

**FIGURE 1  
WEST CENTRAL TEXAS STUDY AREA**



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# OVERVIEW OF THE WEST CENTRAL TEXAS REGION'S ASSETS FOR LOGISTICS AND DISTRIBUTION CENTERS

The Abilene, Eastland, Haskell, Snyder, and Sweetwater sub-regions offer excellent locations for logistics and distribution center facilities. Key assets include the following:

- The sub-regions have a strong base of wholesale trade, transportation, and warehousing employment as well as traditional service sector and retail trade industry employment. Combined, the number of persons employed in these industry sectors in the five sub-regions totals 50,300 workers. Of this total, over 3,300 are employed in wholesale trade, 2,000 in Transportation and warehousing, and 44,900 workers are employed in the service and retail trade sectors. Prospective employers often view a sizeable retail and service sector presence as an asset. Persons employed in this sector often possess the aptitude and basic skills transferable to many operational and administrative support occupations found in logistics and distribution center facilities. The Abilene sub-region has the highest proportion of workers (35,330) in these sectors, followed by Sweetwater (5,050), Haskell (3,566), Eastland (3,343), and Snyder (3,029).
- All five of the sub-regions offer labor cost savings compared to state and national averages in almost all industry sectors. Total average industry earnings in the Haskell sub-region are 55% of the of the national norm, while the Sweetwater, Abilene, and Snyder sub-regions respectively are 63%, 66% and 69% of the U.S. norm. Wages in the Eastland sub-region are also 63% of the national norm. Meanwhile, wholesale trade wages in the Haskell sub-region are 50% of the national norm. Wholesale trade wages in the Eastland sub-region are 52% of the national norm. The Snyder sub-region is 57% of the U.S. average, while the Sweetwater sub-region is 63% of the national norm. The Abilene sub-region is somewhat higher, averaging 88% of the national norm.
- The sub-regions offer moderately sized populations. Applied Geographic Solutions, a leading national demographic data vendor, reported that the Abilene sub-region had a population of 127,449 in 2002, and it is projected to grow by 2.1% by 2007. The Haskell sub-region had a population of 31,622, and it is projected to increase by 4.4%, while the Sweetwater sub-region had a population of 37,073 and was projected to increase by 0.9%. The Snyder sub-region had a population of 22,573. The Eastland sub-region was estimated to have a population of 31,253 and was projected to increase by 0.8%.
- The Abilene sub-region labor force can conservatively sustain a logistics and distribution center operation requiring a first-year staffing of up to 180 qualified employees, depending on geographic labor draw area and selectivity ratio. Assuming a hiring ratio of one hire for every five applicants, an operation could hire a minimum of 145 employees in this sub-region. A hiring ratio of one hire for every four applicants results in an increased staffing potential of 180 employees. This recruiting ability assumes an operation offering competitive wages, benefits, and working conditions.
- There is a higher proportion of residents employed in transportation, material handler, and laborer occupations in each of the five sub-regions relative to state or national averages. Combined in all five sectors, there are more than 9,200 workers employed in these occupations. The Eastland sub-region has the highest proportion (10.7%) of its workforce employed in these occupations relative to the other sub-regions. In addition, the proportion of residents employed in sales and service occupations in three of the sub-regions—Abilene, Eastland, and Sweetwater—exceeds state and national figures. More than 29,600 workers are employed among the sub-regions in these sectors. With 18,611 of these workers in the Abilene sub-region, it accounts for the highest proportion of these occupational skills among all five sub-regions. Sales and service occupations offer hiring potentials for logistics and distribution centers.
- Dyess Air Force Base represents an additional resource of high quality labor for the area. There are approximately 2,000 to 2,500 spouses of active military personnel. These spouses represent potential employment candidates for target industry employers, as they are well educated and seek quality employment.
- According to 2000 data from the U.S. Bureau of the Census, the percentage of residents with at least a high school diploma in the Abilene sub-region (81.2%) exceeds the West Central Texas region (76.8%), the state

(75.6%), and the nation (80.3%). The proportion of residents with at least a high school diploma in the Eastland sub-region is 75.4%, followed by Snyder (72.6%), Sweetwater (70.1%), and Haskell (66.1%).

- Post-secondary institutions in the 19-county West Central Texas region graduate more than 3,000 students per year. Many of these students graduate with technical skills in high demand by logistics and distribution industry employers, including industrial maintenance technology, air conditioning and refrigeration technology, and diesel technology, as well as business-related skills such as accounting, business administration, computer and information sciences, and administrative and secretarial services.
- The Abilene, Eastland, Haskell, Snyder, and Sweetwater sub-regions have adequate water, sewer, electric, and natural gas reserves and capacity to meet the needs of logistics and distribution centers.
  - Water supply planning on a broad geographic basis, through regional initiatives (such as districts) or by municipal-owned reservoir systems, has long been practiced in the region. This has provided communities with a hedge on drought to ensure a dependable water supply. The Abilene and Snyder sub-regions have the some of the largest available water supply capacities in West Central Texas to support increases in industrial demand in the region.
  - Assessment of the availability of electric power to support population and economic growth in a region is determined through knowledge of peak electric demand (peak load) and available supply (generation capacity) and the ability to distribute the electricity generated. In the West Central Texas region, peak load occurs in late summer (summer peaking) coinciding with the peak of the cooling season. The difference between demand and capacity is the reserve capacity. While the electric utility industry has not established a firm benchmark percentage for a capacity margin that is considered adequate to guarantee electricity at all times and under varying conditions, the capacity margin of the Texas Grid (23.4), which includes the West Central Texas region, is the highest in the country.
- Air service to the sub-regions is available through the Abilene Regional Airport. American Eagle services the airport and provides direct non-stop service to Dallas/Ft. Worth seven times a day.

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## KEY FINDINGS

### Labor Market Orientation

The Abilene sub-region consists of Taylor County, and it is the only metropolitan statistical area (MSA) in the region. Abilene is the regional center for services, shopping, and employment, and it accounts for approximately 40% of the region's population with an estimated 2002 population of 127,449. Like the region, the population is projected to remain relatively stable between 2002 and 2007, growing by approximately 2.1%. Relative to the region, Taylor County residents are on average younger, have higher education levels and higher income levels.

The Eastland sub-region refers to Eastland and Callahan Counties. This sub-region is located in the east-central region of the West Central Texas study area. The Eastland sub-region is growing at a slower rate than the region as a whole and has an estimated 2002 population of 31,253. Eastland has the highest median age among the sub-regions and the lowest median household income. There are a higher proportion of residents with 12 to 15 years of education relative to the region (54.8% vs. 52.2%).

The Haskell sub-region consists of Haskell, Jones, and Knox Counties, and is located in the north-central region of the West Central Texas study region (see Figure 1). While the sub-region has a small population base, it is the fastest growing sub-region. The estimated 2002 population is 31,622, and it is projected to grow by 4.4% by 2007. It is also the only sub-region that is projected to see an increase in residents aged 18 to 34, the prime working-age years. According to the 2000 Census, approximately 56% of the sub-region's population has between 12 and 15 years of education, a prime target for employers.

The Snyder sub-region consists of Fisher, Kent, Scurry, and Stonewall Counties. The sub-region is located in the northwest area of the West Central Texas region. The Snyder sub-region is one of the smaller sub-regions, with an estimated 2002 population of 22,573.

The Sweetwater sub-region consists of Mitchell County, Nolan County, and Runnels County. The sub-region is located in the southwest area of West Central Texas. The sub-region has an estimated 2002 population of 37,073 and is projected to grow by 0.9% between 2002 and 2007. 2000 Census demographic indicators show that the proportion of Sweetwater residents with 12 to 15 years of education (57.6%) exceeds state and national averages.

Primary access to the region is provided by Interstate 20 running east/west from Shreveport, LA through the Dallas/Ft. Worth metro area and into Abilene. I-20 continues southwest through Abilene to Midland and Odessa, where it connects with I-10. North/south routes include Highway 277 running north through Jones and Haskell Counties, and Highway 84 running south through Taylor and Coleman Counties.

Air service to the study area is available through the Abilene Regional Airport. American Eagle services the airport and provides direct non-stop service to Dallas/Ft. Worth seven times a day.

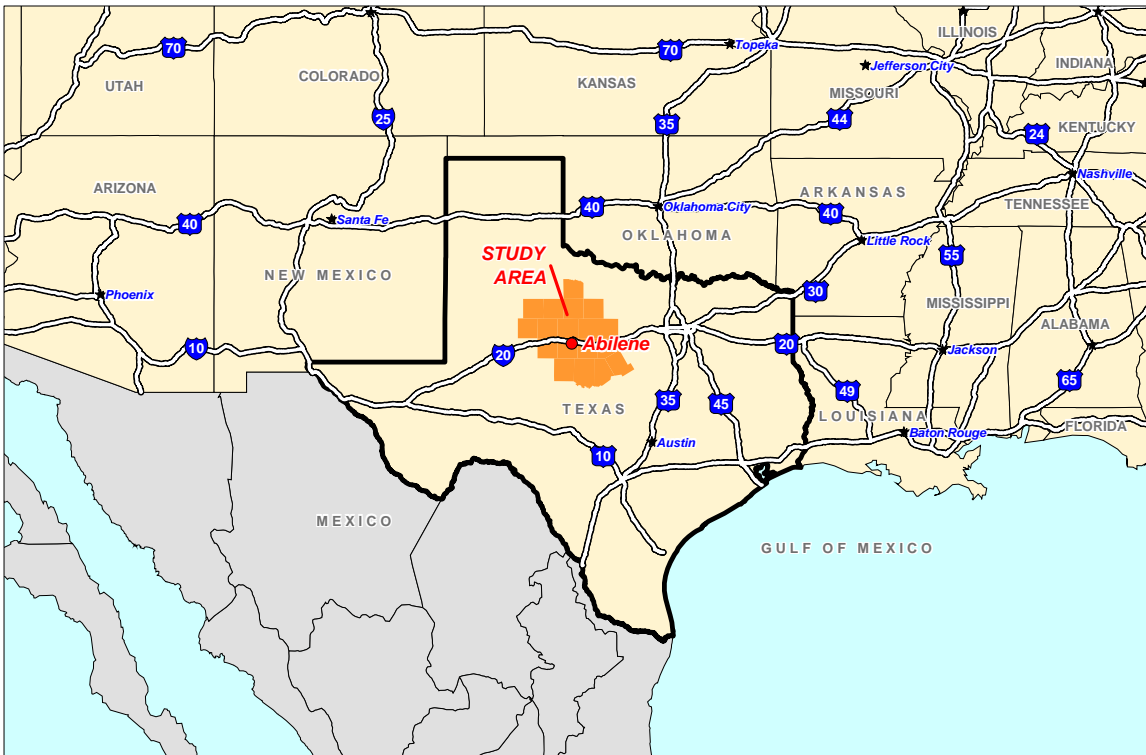
Table 1 on the following page presents highway mileage to key regional and national areas. Figures 2 and 3 show the West Central Texas region in the context of the south-central region of the United States and the West Central Texas region in the context of the State of Texas.

**TABLE 1**  
**DISTANCE FROM ABILENE TO SELECT REGIONAL**  
**AND NATIONAL CENTERS**

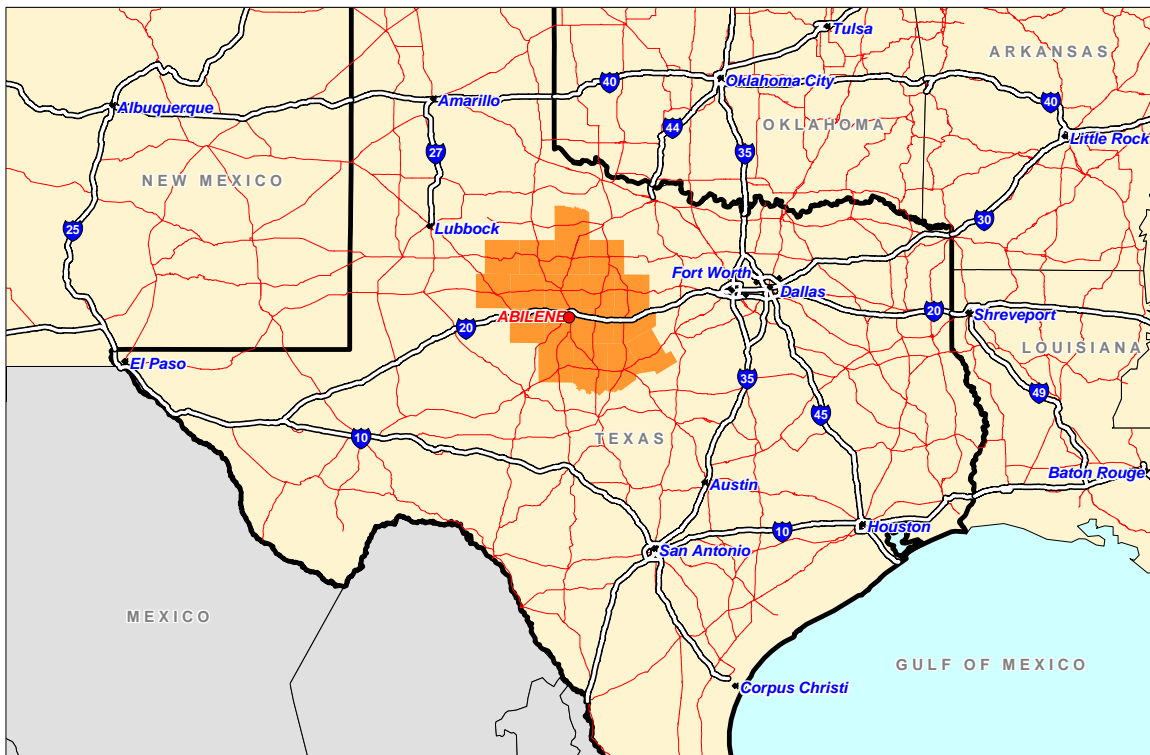
Source: Microsoft Automap

Destination City	From Abilene, TX	
	Highway Miles	Driving Time
Albany, TX	50	58 mins.
Albuquerque, NM	488	9 hrs, 10 mins.
Amarillo, TX	288	5 hrs, 2 mins.
Anson, TX	24	32 mins.
Aspermont, TX	60	1 hr, 14 mins.
Austin, TX	270	5 hrs, 2 mins.
Baird, TX	25	28 mins.
Ballinger, TX	60	1 hr, 15 mins.
Benjamin, TX	95	2 hrs, 3 mins.
Breckenridge, TX	78	1 hr, 24 mins.
Brownwood, TX	97	1 hr, 49 mins.
Coleman, TX	57	1 hr, 13 mins.
Colorado City, TX	73	1 hr, 13 mins.
Colorado Springs, CO	654	11 hrs, 49 mins.
Comanche, TX	96	2 hrs, 1 min.
Corpus Christie, TX	409	7 hrs, 13 mins.
Dallas/Fort Worth, TX	185	3 hrs, 6 mins.
Eastland, TX	60	1 hr, 2 mins.
El Paso, TX	455	7 hrs, 5 mins.
Galveston, TX	469	7 hrs, 32 mins.
Haskell, TX	54	1 hr, 6 mins.
Houston, TX	421	6 hrs, 46 mins.
Jackson, MS	589	9 hrs, 21 mins.
Jayton, TX	83	1 hrs, 42 mins.
Las Vegas, NV	1,061	18 hrs, 27 mins.
Little Rock, AR	504	8 hrs, 3 mins.
New Orleans, LA	707	11 hrs, 13 mins.
Phoenix, AZ	886	13 hrs, 51 mins.
Roby, TX	52	1 hrs, 4 mins.
Salt Lake City, UT	1,107	20 hrs, 42 mins.
Shreveport, LA	370	5 hrs, 56 mins.
Snyder, TX	82	1 hr, 29 mins.
Sweetwater, TX	43	46 mins.
Throckmorton, TX	84	1 hr, 41 mins.
Tulsa, OK	396	6 hrs, 59 mins.
Wichita, KS	447	7 hrs, 44 mins.

**FIGURE 2**  
**WEST CENTRAL TEXAS IN THE CONTEXT OF THE SOUTH CENTRAL UNITED STATES**



**FIGURE 3**  
**WEST CENTRAL TEXAS IN THE CONTEXT OF THE STATE OF TEXAS**



## Labor Availability

### Overall

1. **The Abilene, Eastland, Haskell, Snyder, and Sweetwater sub-regions are moderately sized with growing populations.** The population base of the five sub-regions, estimated to be more than 249,900 in 2002, represents a strong labor market potential for operations requiring moderately sized workforces. The Abilene sub-region offers a civilian labor pool of 56,267, and Eastland has a labor pool of 16,880. Meanwhile, the Haskell sub-region totals 14,638, and the Snyder sub-region civilian labor force totals 10,005. The Sweetwater sub-region offers access to an estimated 15,138 workers.
2. **This target provides an opportunity to build on the five sub-region's existing base of wholesale trade, transportation and warehousing, service, and retail trade operations.** As seen in Table 2, the sub-regions have a strong base of wholesale trade (NAICS 42) and transportation and warehousing (NAICS 48) employment as well as traditional service sector and retail trade industry employment (NAICS 44, 56, 61, 62, 71, 72, and 81). Combined, the number of persons employed in these industry sectors in the five sub-regions totals more than 50,300 workers. The Abilene sub-region accounts for 35,330 (70.2%) of those workers, while the Eastland sub-region accounts for 3,343 (6.6%) workers. The Haskell sub-region has 3,566 (7.0%) workers, while Snyder and Sweetwater have 3,029 (6.0%) and 5,050 (10%) workers, respectively.
  - Major target sector employers in the sub-regions include: NDC-NFI, a contract and public warehousing company; Affiliated Foods Inc, a general line grocery wholesaler; Big Country Homes Inc., a construction materials wholesaler; Rentech Boiler Service Inc., a plumbing and heating equipment wholesaler; and Smith Pipe of Abilene, an industrial machinery and equipment wholesaler.
  - The Abilene sub-region has the highest actual number of residents, 3,277 (or 6.7% of its workforce), employed in wholesale trade and transportation and warehousing sectors. However, the Eastland sub-region has the highest proportion; 10.6% of its workforce is employed in these sectors. This equates to 651 workers. The Sweetwater sub-region has 754 workers or 8.3% of its workforce in these two sectors, followed by Snyder with 382 workers or 6.6% of its workforce, and Haskell with 327 workers or 6.7% of its workforce.
  - Workers employed in the service and retail trade sectors can be viewed as an attribute and could prove to be beneficial in the growth and development of the logistics and distribution center target. Employees in these industry sectors often possess the aptitude and basic skills that are transferable to many of the entry-level production and administrative support functions imbedded in the target. Furthermore, many employees in the retail trade and service sectors would be attracted to positions at logistics and distribution center facilities, as they potentially could offer more challenging work, higher wages, and an opportunity for job and career advancement. The service industry sector is well represented in the five sub-regions, employing over 44,900 workers across the five sub-regions. The largest number of employees, 32,053, is found in the Abilene sub-region while Haskell has the greatest proportion, 66%, of its workforce or 3,239 workers employers in these sectors. The Sweetwater, Eastland, and Snyder sub-regions have 4,296, 2,692 and 2,647 workers employed in these sectors, respectively.

**TABLE 2**  
**INDUSTRY EMPLOYMENT BY SECTOR, 2000 (\* Indicates Service Sector)**  
 Source: U.S. Department of Commerce, County Business Patterns

NAICS	Industry Description	Abilene sub-Region	Eastland sub-Region	Haskell sub-Region	Snyder sub-Region	Sweet-water sub-Region	West TX Region	TX	U.S.
11----	Forestry, fishing, hunting, and agriculture support	10	0	91	22	20	198	---	---
21----	Mining	635	139	265	858	229	2,739	---	---
22----	Utilities	461	106	160	115	226	1,301	---	---
23----	Construction	2,506	1,106	132	707	345	5,658	---	---
31----	Manufacturing	3,706	893	123	464	2,337	11,970	---	---
42----	Wholesale trade	2,031	515	220	230	340	4,354	---	---
44----	Retail trade	7,230	976	772	910	1,334	14,460	---	---
48----	Transportation & warehousing	1,246	136	107	152	414	2,388	---	---
51----	Information	1,337	140	95	105	155	2,163	---	---
52----	Finance & insurance	2,436	224	239	243	352	4,317	---	---
53----	Real estate & rental & leasing	811	20	35	73	43	1,127	---	---
54----	Professional, scientific & technical services	1,378	123	106	80	237	2,249	---	---
55----	Management of companies & enterprises	447	10	10	0	20	592	---	---
56----	Admin, support, waste mgt, remediation services*	2,955	85	41	18	50	3,493	---	---
61----	Educational services*	2,373	10	750	75	75	3,678	---	---
62----	Health care and social assistance*	10,176	797	1,103	694	1,644	18,115	---	---
71----	Arts, entertainment & recreation*	597	20	30	55	20	893	---	---
72----	Accommodation & food services*	5,695	504	259	479	608	9,139	---	---
81----	Other services (except public administration)*	3,027	300	284	416	565	5,634	---	---
95----	Auxiliaries (ex. corporate, subsidiary & regional mgt)	66	10	75	75	0	246	---	---
99----	Unclassified establishments	75	17	10	50	30	238	---	---
<b>Percentage of Employment</b>									
11----	Forestry, fishing, hunting, and agriculture support	0.0%	0.0%	1.9%	0.4%	0.2%	0.2%	0.1%	0.2%
21----	Mining	1.3%	2.3%	5.5%	15.4%	2.6%	2.9%	1.3%	0.4%
22----	Utilities	0.9%	1.8%	3.3%	2.1%	2.5%	1.4%	0.6%	0.6%
23----	Construction	5.1%	18.5%	2.8%	12.7%	3.9%	6.0%	6.5%	5.8%
31----	Manufacturing	7.5%	14.9%	2.6%	8.3%	26.3%	12.8%	12.0%	14.4%
42----	Wholesale trade	4.1%	8.6%	4.6%	4.1%	3.8%	4.6%	5.7%	5.4%
44----	Retail trade	14.7%	16.3%	16.2%	16.3%	15.0%	15.4%	12.7%	13.0%
48----	Transportation & warehousing	2.5%	2.3%	2.2%	2.7%	4.7%	2.5%	3.9%	3.3%
51----	Information	2.7%	2.3%	2.0%	1.9%	1.7%	2.3%	3.1%	3.1%
52----	Finance & insurance	5.0%	3.7%	5.0%	4.4%	4.0%	4.6%	4.8%	5.2%
53----	Real estate & rental & leasing	1.6%	0.3%	0.7%	1.3%	0.5%	1.2%	1.8%	1.7%
54----	Professional, scientific & technical services	2.8%	2.1%	2.2%	1.4%	2.7%	2.4%	5.5%	6.0%
55----	Management of companies & enterprises	0.9%	0.2%	0.2%	0.0%	0.2%	0.6%	3.2%	2.5%
56----	Admin, support, waste mgt, remediation services*	6.0%	1.4%	0.9%	0.3%	0.6%	3.7%	9.9%	8.0%
61----	Educational services*	4.8%	0.2%	15.7%	1.3%	0.8%	3.9%	1.4%	2.2%
62----	Health care and social assistance*	20.7%	13.3%	23.1%	12.4%	18.5%	19.3%	11.5%	12.4%
71----	Arts, entertainment & recreation*	1.2%	0.3%	0.6%	1.0%	0.2%	1.0%	1.1%	1.5%
72----	Accommodation & food services*	11.6%	8.4%	5.4%	8.6%	6.8%	9.7%	8.8%	8.7%
81----	Other services (except public administration)*	6.2%	5.0%	5.9%	7.5%	6.4%	6.0%	4.9%	4.6%
95----	Auxiliaries (ex. corporate, subsidiary & regional mgt)	0.1%	0.2%	1.6%	1.3%	0.0%	0.3%	1.0%	0.9%
99----	Unclassified establishments	0.2%	0.3%	0.2%	0.9%	0.3%	0.3%	0.1%	0.1%

3. **The existing industry base of the Abilene, Eastland, Haskell, Snyder, and Sweetwater sub-regions offers an excellent opportunity for a logistics and distribution center facility needing to hire between 25 and 180 employees.** Table 3 shows a conservative estimate of qualified logistics and distribution job candidates over one year for a facility locating in each of the five sub-regions, assuming the new operation offers competitive wages and benefits. This staffing potential varies by geographic labor draw area and selectivity ratio. Assuming a hiring ratio of one hire for every five applicants, an operation could hire at least 145 employees from the Abilene sub-region, 25 employees from either the Haskell or Snyder sub-regions, or 30 employees from the Sweetwater or Eastland sub-region. A hiring ratio of one hire for every four applicants results in an increased staffing potential of 180 employees from the Abilene sub-region, 30 employees from the Haskell sub-region, 35 employees from the Snyder or Eastland sub-regions or 40 employees from the Sweetwater sub-region. While this model quantifies staffing potentials exclusive to each respective sub-region, the more likely scenario would be an applicant flow emanating from all five sub-regions. It should be noted that this model assumes that no other similar operations offering competitive wages and benefits enter the market at the same time. As more competitors enter the market, the number of successful hires likely will decline.

**TABLE 3**  
**ESTIMATED LABOR SUPPLY YIELD FOR A COMPETITIVE**  
**LOGISTICS AND DISTRIBUTION CENTER OPERATION**

Source: WDG estimate based on employment figures and projections by AGS, Inc.

	Factor	30-Minute Commute Zone of:				
		Abilene sub-region	Eastland sub-region	Haskell sub-region	Snyder sub-region	Sweetwater sub-region
1	Currently employed supply	445	90	45	75	70
2	Potential underemployment yield	1,855	260	215	180	235
3	Increased participation yield	295	165	215	250	295
4	New labor force entrants	70	10	1	0	2
5	Total expected applicants- 1 year	2,665	520	475	505	600
6	Applicant commute propensity (85%)	2,265	440	405	430	510
7	Initial Employer Intercept (80%)	1,810	355	325	345	405
8	Qualified Applicants (50%)	905	180	160	170	205
9	Employee Acceptance (85%)	725	140	130	135	160
10	Staffing potential with one-in-five selectivity	145	30	25	25	30
11	Staffing potential with one-in-four selectivity	180	35	30	35	40

**Explanatory Notes**

1. Estimate of currently employed workers unhappy enough with their current job to apply.
2. Individuals currently working in low-level sales, service and farming, forestry or fishing occupations who will apply.
3. Women currently not participating in the workforce who will participate
4. Growth component to account for new entrants into the labor force.
5. Total eligible population.
6. Percentage of workers willing to commute for employment from various labor sheds – percentage varies depending on location.
7. Percentage of workers who will work at initial operation despite similar positions available between their residence and the original employers. In this case, it is assumed that a logistics and distribution center facility coming into the area would be the employer of choice and a high percentage of workers would commute to the employer's original location. As more competitors enter the market, the percentage of workers accepting work at the original location is assumed to decline.
8. Number of applicants passing initial screening and offered an interview. The actual percentage will vary according to the skills required by the operation, and the skill level of the available workforce.
9. The percentage of workers accepting a new position. Again, it is assumed that initially, a high percentage would accept a position. However, as additional companies enter the market, the percentage is likely to decline because of increased competition for workers.
10. For a company desiring to hire one individual for every five interviews, the maximum estimated staffing potential for their operation in year one.
11. For a company desiring to hire one individual for every four interviews, the maximum estimated staffing potential for their operation in year one.

4. **The labor force in each of the five sub-regions has a strong resident base of transportation, material handler, and laborer occupations.** Table 4 compares the employment distribution by occupational category of these and other occupations relevant to the logistics and distribution center industry in the five sub-regions to regional, state, and national norms.

There is a higher proportion of residents in transportation occupations in all of the sub-regions relative to the state or nation. Among the five sub-regions, there is a total of 5,515 workers in these occupations. There is a higher proportion of material handlers and laborers in three of the sub-regions (Eastland, Snyder, and Sweetwater) compared to state and national averages. As a combined total among all of the five sub-regions, this represents a pool of 3,725 workers. With regard to the sales and service occupational groups, three of the five sub-regions surpass the state and national figures. Persons employed in the sales and service occupational categories in the five sub-regions combined total 33,439 workers. Proportionally, this exceeds the regional, state, and national norms. These skill-set concentrations are indicative of a base of seasoned and skilled workers in the sub-region's workforces. Importantly, workers in the sales and service sectors often have skills that are immediately transferable to many target industry occupations.

- The proportion of residents employed in transportation and material handler and laborer occupations in the Snyder sub-region, 10.5% (1,033 workers), the Sweetwater sub-region, 10.2% (1,656 workers) and the Eastland sub-region, 10.7%, (1,413 workers), exceeds the West Central Texas region (8.5%), the state (7.4%), and the nation (7.4%). The Haskell sub-region figure of 8.4% (1,164 workers), while mirroring the regional figure, exceeds state and national norms. The Abilene sub-region has 6.7%, or 3,974 workers employed in these occupations.
- The proportion of residents employed in sales and service occupations in three of the sub-regions, Abilene, 31.6% (18,611 workers), Eastland, 28.3% (3,753) and Sweetwater, 28.3% (4,566 workers) exceeds the state (28.0%) and the nation (27.1%). The West Central Texas regional figure is 29.8%. Over 27% (3,861 workers) in the Haskell sub-region and 26.9% (2,648 workers) in the Snyder sub-region are employed in the sales and service industry sectors.
- The proportion of residents employed in executive and professional specialty occupations in the Abilene sub-region, 25.0% (14,736 workers), exceeds the regional (20.4%) and state figures (24.7%) while mirroring the U.S. figure (25.0%). Approximately 18% of the Eastland sub-region's workforce is employed in executive and professional specialty occupations. The Haskell sub-region average is 17.6% (2,457 workers), the Snyder sub-region average is 17.1% (1,685 workers), and the Sweetwater sub-region average is 16.6% (2,679 workers).
- The proportion of residents employed in technical occupations in the Abilene sub-region, 3.8% (2,226 workers), exceeds the region (2.8%) and the nation (3.6%) while mirroring the state (3.8%). Within the Snyder sub-region, approximately 2.8% of the workforce is employed in this occupation, followed by Haskell (2.3%), Eastland (2.2%), and Sweetwater (1.9%).
- Among all of the sub-regions, the proportion of residents employed in clerical occupations is below the state and national averages. The Abilene sub-region has the highest percentage, 16.5%, of its workforce employed in clerical occupations, followed by Eastland (15.4%), Snyder (14%), Sweetwater (13.8%), and Haskell (13.6%). The state average is 17.1%, while the national average is 17.2%.

**TABLE 4**  
**EMPLOYMENT BY SELECTED OCCUPATION, 2001**  
 Source: Applied Geographic Solutions

Occupation	Abilene Sub-region	Eastland Sub-region	Haskell Sub-region	Snyder Sub-region	Sweetwater Sub-region	West TX Region	TX	U.S.
<b>Actual Employment</b>								
Executive	5,464	867	789	598	1,037	10,942	---	---
Professional	9,272	1,514	1,668	1,087	1,642	18,619	---	---
Technician	2,226	289	326	276	304	4,121	---	---
Sales	7,126	1,409	1,084	754	1,385	15,066	---	---
Clerical	9,703	2,033	1,901	1,371	2,237	21,851	---	---
Services	11,485	2,344	2,777	1,894	3,181	28,009	---	---
Farming	1,603	948	2,015	1,077	1,655	10,381	---	---
Precision Production	6,048	1,789	1,771	1,396	1,976	16,732	---	---
Machine Operators	2,045	626	439	341	1,087	6,750	---	---
Transportation	2,335	848	767	657	908	7,348	---	---
Laborers / Handlers	1,639	565	397	376	748	4,928	---	---
<b>Percentage of Labor Force</b>								
Executive	9.3%	6.6%	5.7%	6.1%	6.4%	7.6%	10.5%	10.6%
Professional	15.7%	11.4%	12.0%	11.1%	10.2%	12.9%	14.1%	14.4%
Technician	3.8%	2.2%	2.3%	2.8%	1.9%	2.8%	3.8%	3.6%
Sales	12.1%	10.6%	7.8%	7.7%	8.6%	10.4%	11.5%	10.9%
Clerical	16.5%	15.4%	13.6%	14.0%	13.8%	15.1%	17.1%	17.2%
Services	19.5%	17.7%	19.9%	19.3%	19.7%	19.4%	16.4%	16.1%
Farming	2.7%	7.2%	14.5%	11.0%	10.2%	7.2%	3.2%	3.1%
Precision Production	10.3%	13.5%	12.7%	14.2%	12.2%	11.6%	11.3%	11.0%
Machine Operators	3.5%	4.7%	3.2%	3.5%	6.7%	4.7%	4.5%	5.7%
Transportation	4.0%	6.4%	5.5%	6.7%	5.6%	5.1%	3.8%	3.7%
Laborers / Handlers	2.8%	4.3%	2.8%	3.8%	4.6%	3.4%	3.6%	3.6%

### Abilene Sub-region

- Among the sub-regions, the Abilene sub-region has the largest labor pool.** The sub-region had an average civilian labor force of 57,335 in 2001.
  - Among all of the sub-regions, the largest labor pool is within a 30-minute commute zone from 6450 Five Points Parkway in the City of Abilene. Typically, most non-exempt and hourly employees will commute up to 30 minutes for a competitively paying job. Within a 30-minute drive time from the Abilene commute node, there is a population base of 137,275 offering a labor force of 61,755.
- Surveyed area employers report satisfactory-to-good availability of employment candidates for a range of skills, and for the most part, are pleased with the overall quality of the workforce.** Basic computer skills among job applicants, including basic keyboarding skills, using word processing software, and accessing and using the Internet, were rated as good by local employers. Work ethic and productivity were rated as above average.
- There is a potentially hidden labor force in the Abilene sub-region of approximately 45,854 residents.** This pool of workers consists of currently-not-employed residents interested in employment, employed residents interested in training for career advancement, and recent college graduates.
  - Approximately 59.3% of residents currently not employed (i.e., unemployed and not participating in the labor force) in the Abilene sub-region are interested in working. This equates to 19,100 residents that potentially could enter the labor market, of which 66.7% report that they have no limitations to

working. The most frequently mentioned work limitation is the lack of jobs matching the surveyed respondents' level of education/training.

- An additional 47.2% of employed residents would be interested in training to acquire new job skills, which amounts to 25,400 residents.
  - The Abilene sub-region is home to many of the region's post-secondary institutions, namely: Abilene Christian College, Hardin-Simmons University, McMurray University, Cisco Junior College, and Texas State Technical College. These institutions graduate more than 1,350 students annually.
4. **Dyess Air Force Base is another important source of labor for Taylor County employers.** There are approximately 5,437 enlisted military at the base and over 6,000 family members. Spouses of military personnel and exiting military comprise an important component of Taylor County's workforce, according to interviewed employers.

### **Eastland Sub-region**

1. **The Eastland sub-region has a small civilian labor pool; however, it is the only sub-region to experience an increase in its workforce.** In 2001, the Eastland sub-region had an annual civilian labor force of 15,621 residents, which was a 4.2% increase since 1996.
  - The sub-region has the lowest labor participation rate among all of the sub-regions. Only 56.6% of working-age residents are actively participating in the workforce.
  - The commute zone node for the Eastland sub-region is located at 100 West Main in Eastland. Within a 30-minute drive time of this site there is a population of 15,359 providing a labor force of 7,689.
5. **There is a labor reserve of 11,300 in the Eastland sub-region.**
  - There are 3,000 residents in this sub-region currently not employed that would be interested in employment. This amounts to 66.7% of all non-employed residents.
  - There is a large number of currently employed residents that would be interested in training for career development. Approximately 51.1% of employed residents, the highest percentage among all of the sub-regions, would be interested in upgrading their skills. This amounts to 8,300 residents.

### **Haskell Sub-region**

1. **The Haskell sub-region had a civilian labor force of 14,139 in 2001.**
  - Approximately 59.1% of residents in the Haskell sub-region participate in the workforce, compared to 61.9% regionally, 68.4% in Texas, and 67.8% nationally.
  - Within a 30-minute drive time from 301 South 1st Street in Haskell, there is an estimated labor force of 4,735 residents.
2. **Within the Haskell sub-region, there is an estimated labor reserve of 8,300 residents that could be available to new and expanding employers.** This labor pool consists of not-employed residents interested in working and currently employed residents interested in training for skills development.
  - 42.9% of not-currently-employed residents in the Haskell sub-region would be interested in employment. This equates to 3,200 residents.
  - There are approximately 5,100 currently employed residents, or approximately 42.9% of the employed population, that would be interested in training for skills enhancement.

## **Snyder Sub-region**

1. **The average annual civilian labor force in the Snyder sub-region in 2001 was 9,758.**
  - The sub-region's unemployment rate (4.8% in August 2002) was higher than the region's average of 4.3%.
  - The sub-region has a low labor participation rate, indicating that additional residents can enter the labor force to meet regional, state, and national standards. In 2002, the labor force participation rate was 58.8%.
  - The commute node for the Snyder sub-region is located at 1201 Lorber Lane in Snyder. Within 30 minutes of this site, there is an estimated population base of 14,681 providing a civilian labor force of 6,346.
2. **There is a hidden labor supply of 6,186 residents in the Snyder sub-region.** This labor reserve consists of residents not currently employed but interested in employment, and currently employed residents interested in upgrading their skills.
  - Approximately 63.2% of residents not currently in the workforce (3,500 individuals) are interested in employment.
  - 26.9% or 2,600 of currently employed residents would be interested in training for career advancement.
  - There are approximately 100 annual graduates from West Texas College located in Snyder.

## **Sweetwater Sub-region**

1. **The Sweetwater sub-region had a 2001 average annual civilian labor force of 14,990.**
  - The sub-region's unemployment rate (4.6% in August 2002) was higher than the region's average (4.3%).
  - The percentage of residents actively participating in the labor force (59.4%) is lower than the regional participation rate (61.9%).
  - Within a 30-minute drive time of 110 E. Broadway Avenue, there is an estimated labor force of 6,757.
2. **The labor force available to new and expanding employers in the Sweetwater sub-region includes 4,000 residents currently not employed but interested in work, and 3,700 currently employed residents that are interested in training to upgrade their skills.** This represents a total of 7,700 residents that may be available to new and expanding employers.
  - Approximately 40% of residents not currently employed are interested in working. 80% of these residents have no limitations to working.
  - Roughly 25.6% of employed residents are interested in training to upgrade their skills for career advancement.
  - Recent graduates from post-secondary institutions, including Texas State Technical College-Sweetwater, are another source of labor for employers.

## **Regional Training Resources**

1. **The West Central Texas region's two- and four-year, post-secondary institutions graduate more than 3,000 students per year in a variety of disciplines.** Post-secondary institutions in the West Central Texas region include Abilene Christian University, American Commercial College, Central Texas Commercial College, Cisco Junior College, Hardin-Simmons University, Howard Payne University, McMurray University, Ranger College, Texas State Technical College, and Western Texas College. Many of these institutions' students graduate with technical skills in high demand by logistics and

distribution center employers, including industrial maintenance technology, air conditioning and refrigeration technology, and diesel technology, as well as business-related skills such as accounting, business administration, computer and information sciences, and administrative and secretarial services. Table 5 shows enrollment and graduation figures for regional post-secondary institutions. Combined, these institutions have an enrollment of more than 11,000 students.

**TABLE 5**  
**REGIONAL POST-SECONDARY INSTITUTION'S ENROLLMENT AND GRADUATES, 2000**

Source: U.S. Department of Education

Less-than-four-year institutions	County	City	Total Fall Enrollment	Total Graduates
Cisco Junior College	Eastland	Cisco	1,143	272
Western Texas College	Scurry	Snyder	554	185
Central Texas Commercial College	Brown	Brownwood	60	39
American Commercial College	Taylor	Abilene	114	188
Texas State Technical College-Sweetwater	Nolan	Sweetwater	800	354
More-than-four-year institutions				
Abilene Christian University	Taylor	Abilene	3,565	894
Hardin-Simmons University	Taylor	Abilene	1,752	456
Howard Payne University	Brown	Brownwood	1,189	262
McMurry University	Taylor	Abilene	965	195
Ranger College	Eastland	Ranger	588	131
Hendrick Medical Center School of Radiography	Taylor	Abilene	20	19
Stenograph Institute of Texas	Taylor	Abilene	117	34

2. **Several institutions in the West Texas region offer degrees and programs relevant to target industry employers.**

- **Texas State Technical College** has four campuses within the West Texas study area: Abilene, Breckenridge, Brownwood, and Sweetwater. All of the campuses offer a range of programs providing business and technical skills applicable to positions in the logistics and distribution industry.
  - Texas State Technical College–Abilene offers degree programs and coursework in Computer Technology, such as computer network technology, computer science technology, and computer information technology.
  - Texas State Technical College–Breckenridge offers a Computer Information Technology (CIT) program. The CIT program offers two separate program options, including computer business systems and digital multimedia systems. Students who choose the computer business systems option receive training in software applications such as word processing, electronic spreadsheets, and database management systems, with particular attention given to accounting and automated accounting systems.
  - Texas State Technical College–Brownwood offers degree and certificate programs in Computer Information Technology and Computer Networking, as well as Manufacturing Technology programs in industrial maintenance technician and machine technology.
  - Texas State Technical College–Sweetwater has a Computer Technology division offering degree programs in computer information technology, computer network technology, computer science technology and digital imaging and design technology. The Mechanical Technology division offers a certificate program in air conditioning and refrigeration technology, and a degree and certificate program in diesel technology.
- **Cisco Junior College** offers degree programs in accounting, business, and computer science. Technical certificate programs are in maintenance mechanics and office systems technology.
- **The Hardin-Simmons Kelley College of Business** offers undergraduate majors in accounting, computer science, economics, finance, general business, international business, management, and marketing. The Master of Business Administration (M.B.A.) degree is also offered.

- **Howard Payne University** offers more than 50 majors, minors, and pre-professional programs within six schools. Some of the degree programs offered include business administration, communication, computer information systems, and general studies. Within the business administration programs, concentrations are available in business education, finance, management, and marketing.
- **Abilene Christian College** offers degree programs through three colleges and a graduate school. The College of Business Administration offers degrees in accounting and finance and management sciences, as well as a Master of Accountancy degree. The College of Arts and Sciences offers degrees in communications, journalism and mass communication, and mathematics and computer science.

## Labor Quality

1. **Demographics for the Abilene, Eastland, Haskell, Snyder, and Sweetwater sub-regions indicate a well-educated workforce.** Table 6 compares the education levels of sub-region residents to regional, state, and national averages.
  - According to 2000 data from the U.S. Bureau of the Census, the percentage of residents with at least a high school diploma in the Abilene sub-region (81.2%) exceeds the West Central Texas region (76.8%), the state (75.6%), and the nation (80.3%). The proportion of residents with at least a high school diploma in the Eastland sub-region is 75.4%, followed by Snyder (72.6%), Sweetwater (70.1%), and Haskell (66.1%).
  - The percentage of residents in the Abilene sub-region with one to three years of post-secondary training, which includes an Associate degree (30.3%), surpasses the regional (27.5%), the state (27.6%), and the national norms (27.3%). Within the Eastland sub-region, the proportion of residents with one to three years of post-secondary education (27.5%) exceeds national figures and approximates the regional figure. The Snyder sub-region (26.6%) is slightly below these averages. The Haskell sub-region average is 21.2%, and the Sweetwater sub-region average is 22.2%. Many employers prefer to hire employees with some post-secondary education.
  - The proportion of residents in the Abilene sub-region with at least a four-year college degree (22.5%) exceeds the West Central Texas regional average (17.9%). The Texas statewide average is 23.2%, while the national average is 24.4%. The Eastland, Sweetwater, Snyder, and Haskell sub-region averages are 12.5%, 12.4%, 12.1%, and 10.0%, respectively.

**TABLE 6**  
**EDUCATIONAL ATTAINMENT 2000**  
 Source: U.S. Bureau of the Census

	Abilene sub-region	Eastland sub-region	Haskell sub-region	Snyder sub-region	Sweetwater sub-region	West Central TX	Texas	United States
No High School Diploma	18.8%	24.6%	33.9%	27.4%	29.9%	23.2%	24.4%	19.6%
High School Diploma Only	28.4%	35.4%	34.9%	33.9%	35.5%	31.4%	24.8%	28.6%
1-3 Years College	24.8%	22.4%	17.8%	21.6%	18.8%	22.7%	22.4%	21.0%
Associate Degree	5.5%	5.1%	3.4%	5.1%	3.4%	4.8%	5.2%	6.3%
1 to 3 Years College Incl. Associate Degree	30.3%	27.5%	21.2%	26.6%	22.2%	27.5%	27.6%	27.3%
Bachelors Degree	14.9%	9.0%	7.0%	8.1%	9.2%	12.1%	15.6%	15.5%
Graduate Degree	7.6%	3.6%	3.0%	4.1%	3.3%	5.8%	7.6%	8.9%
16 Or More Years of Education	22.5%	12.5%	10.0%	12.1%	12.4%	17.9%	23.2%	24.4%

2. **Surveyed employers in the West Central Texas region are generally satisfied with the quality of the workforce.**
  - Across the region, overall basic skills and verbal communication skills were given satisfactory scores (median and average scores of 3.0, on a scale where 1=poor and 5=excellent).
  - Team and cooperative skills received a slightly higher rating
3. **Employers also rated the work ethic and productivity of the regional workforce as satisfactory to above satisfactory.**
  - Work ethic and productivity received median scores of 3.0 and average scores of 3.2, on a scale where 1=poor and 5=excellent.
  - Employers rated the productivity higher in the region compared to other company locations. Employers gave satisfactory to good scores on employee willingness to work overtime.
4. **Area employers indicated that while employee turnover is somewhat high across the region, absenteeism is not a problem.**
  - Average annual turnover was reported to be approximately 10% by area employers. Average daily absenteeism was under 5% and not perceived as a problem among employers.

## Labor Costs

1. **Published wage data shows the Abilene MSA (Abilene sub-region) has average to below average labor costs relative to the nation in almost all representative occupations.** Wage data for each specific sub-region is not available. Data for the Abilene MSA is representative of the West Central Texas region for comparative purposes. Table 7 shows median earnings for some representative target industry-related occupational groups in the Abilene MSA and the U.S., recently published by the U.S. Bureau of Labor Statistics. Among those occupations listed within each target industry occupational group, average earnings in Abilene are substantially lower than national averages.
  - **Transportation and material moving** occupations offer cost savings of 15%-23% in the Abilene market when compared to national averages. Laborers and freight, stock, and material moving workers, averaging \$14,456, represent a 23% savings, while hand packers and packagers, averaging \$13,291, are 15% less expensive. Truck drivers, averaging \$21,486, are 4% below national averages.
  - **Management** salaries average 24%-41% less than national norms. Positions such as computer and information systems managers, averaging \$46,238, and purchasing managers, averaging \$33,966, are 36%-41% below national averages. General and operations managers, averaging \$42,827, and human resources managers, averaging \$42,536, constitute a 28%-30% savings. Administrative service managers are 24% less costly, earning on average \$35,526.
  - **Business and Financial Operations** occupational salaries for positions such as purchasing agents and accountants and auditors in the Abilene market are 13%-23% less costly than national averages. Salaries range from \$33,176 for purchasing agents to \$37,627 for accountants and auditors.
  - **Office and Administrative Support** occupations in Abilene show considerable savings for all occupational titles listed when compared to the nation. Average salaries for office-related occupations such as executive secretaries and administrative assistants, customer service representatives, bookkeeping, accounting, and auditing clerks, and general office clerks represent savings ranging from 19%-28%. Salaries for these positions average in the high 'teens to mid-twenties, ranging from \$17,098 for a general office clerk to \$24,066 for an executive secretary or administrative assistant. First-line supervisors/managers of office and administrative support workers, averaging \$27,331, are 25% below the national average.
  - **Computer and Mathematical** occupations also offer savings. Computer programmers represent the most significant savings when compared to national averages. Average salaries in Abilene for this

position, \$43,888, are 24% less expensive, while network and computer systems administrators, averaging \$42,848, are 16% below the national average.

**TABLE 7**  
**MEDIAN ANNUAL EARNINGS IN THE ABILENE MSA**  
**AND THE U.S. IN SELECT OCCUPATIONS 2000**

Source: U.S. Bureau of Labor Statistics, Area Occupational Employment & Wage Estimates

	Abilene MSA	U.S.	% Difference Abilene vs. U.S.
<b>Transportation and Material Moving Occupations</b>			
Truck Drivers, Light Or Delivery Services	\$21,486	\$22,339	-3.8%
Laborers and Freight, Stock, and Material Movers, Hand	\$14,456	\$18,803	-23.1%
Packers and Packagers, Hand	\$13,291	\$15,662	-15.1%
<b>Management Occupations</b>			
General and Operations Managers	\$42,827	\$61,173	-30.0%
Administrative Services Managers	\$35,526	\$47,070	-24.5%
Computer and Information Systems Managers	\$46,238	\$78,832	-41.3%
Human Resources Managers	\$42,536	\$58,989	-27.9%
Purchasing Managers	\$33,966	\$53,040	-36.0%
<b>Business and Financial Operations Occupations</b>			
Purchasing Agents	\$33,176	\$43,222	-23.2%
Accountants and Auditors	\$37,627	\$43,493	-13.5%
<b>Office and Administrative Support Occupations</b>			
First-Line Supervisors/Managers of Office and Administrative Support Workers	\$27,331	\$36,421	-25.0%
Bookkeeping, Accounting, and Auditing Clerks	\$20,405	\$25,667	-20.5%
Customer Service Representatives	\$17,784	\$24,606	-27.7%
Executive Secretaries and Administrative Assistants	\$24,066	\$31,096	-22.6%
Office Clerks, General	\$17,098	\$21,133	-19.1%
<b>Computer and Mathematical Occupations</b>			
Computer Programmers	\$43,888	\$57,595	-23.8%
Network and Computer Systems Administrators	\$42,848	\$51,272	-16.4%

## Infrastructure and Operating Environment

1. **A number of target-sector employers have established facilities in the sub-regions.** Major target-sector employers include: NDC-NFI, a contract and public warehousing company; Affiliated Foods Inc., a general line grocery wholesaler; Big Country Homes Inc., a construction materials wholesaler; Rentech Boiler Service Inc., a plumbing and heating equipment wholesaler; and Smith Pipe of Abilene, an industrial machinery and equipment wholesaler. Table 8 provides a sampling of these employers and their approximate employment.

**TABLE 8**  
**MAJOR TARGET SECTOR EMPLOYERS**  
Source: WDG from Development Corporation Of Abilene, Inc. (DCOA) Data

Company	Employment
Affiliated Foods Inc.	100-249
Big Country Homes Inc.	100-249
Rentech Boiler Service Inc.	100-249
Smith Pipe of Abilene	100-249
NDC-NFI	20

2. **The sub-regions are home to a complement of manufacturers, many of whom might have need of third-party logistics provider (3PL) services.** Companies include Fehr Foods Inc., Pepsi-Cola Dr. Pepper Bottling, Coca-Cola Bottling Co., Bandag Inc., United States Gypsum Co., Crown Cork & Seal

Co., Mueller Supply Co., ABCO Industries, Contico International Inc., Victor Equipment Co., Tige Boats Inc., and Ludlum Measurements.

3. **All of the West Central Texas region's urbanized areas have good highway access, with particularly good access through Abilene, Eastland, Haskell, and Sweetwater, which are optimally located along or near Interstate 20.** Abilene, Snyder, and Sweetwater also have rail access.
4. **The urbanized areas in the West Central Texas region have been proactive in investing in the necessary water supply and distribution infrastructure to support future growth and development.** In particular, the city of Abilene has taken significant steps to modernize its infrastructure. All five sub-regions have adequate water supplies and the necessary delivery infrastructure to reliably meet current needs and to provide for some service expansion.
5. **Within the West Central Texas region, there is adequate wastewater collection and treatment infrastructure.** Several cities recently have made investments in their wastewater infrastructure and/or have ongoing wastewater upgrade projects.
6. **The Five Points Business Park is comprised of more than 600 acres.** It is located less than 10 miles from the Abilene Regional Airport off Interstate 20. Utility infrastructure (water, gas, sewer, electric, telecommunications/fiber) is in place, and A&E construction plans are complete for a building of up to 300,000 square feet. Direct access to the Union Pacific Railroad is also available.
7. **The telecommunications infrastructure available in the Abilene area is state-of-the-art.** Both traditional and competitive local exchange carriers provide service. Abilene's communication advantages include:
  - Multiple providers of telecommunications services, including voice services, cellular/mobile, broadband access (e.g., DSL, Cable, Satellite/Wireless), high-speed data, and fiber backbone.
  - Close proximity of major fiber backbones as well as significant fiber points of presence located in Abilene.
  - Multiple types of broadband access available – cable modem access, DSL, and wireless/satellite.
  - Multiple types of cellular/wireless technologies – GSM, PCS, and CDMA/TDMA are available.
  - A well-rounded portfolio of voice and data services is available.
  - High-speed data services to Sweetwater and Brownwood through AT&T's Texas SONET network.
  - Strong and customer-centric independent telephone companies providing services to rural areas outside of Abilene with more robust broadband initiative than their RBOC and large ILEC counterparts.
  - Emerging wireless and satellite broadband services through TIF Grants.
  - Independent local carrier development initiatives through Texas Lone Star Network, which is a statewide fiber network.
8. **Texas Workers' Compensation and labor legislation are favorable to employers.** A review of existing Texas labor law, as seen in Table 9, reveals no current state legislation exceeding federal mandates. Texas is a right-to-work state. There are no statewide restrictions stronger than federal in terms of drug testing, right-to-know, ADA legislation, EEO hiring, sexual harassment, or mandated parental leave legislation. Texas has solid employment-at-will legislation, meaning that an employee is hired at will, and that employment can be terminated at the will of either the employer or the employee.

**TABLE 9**  
**TEXAS LABOR LEGISLATION**  
Source: State of Texas

Employment at will? (Yes or No)	Yes
If yes, significant restrictions (from employers standpoint)	No
Restrictions on employee drug testing?	No
Telephone monitoring restrictions for regulation of productivity (or customer service)?	Yes: One Party Consent
Plant Closing Law stricter than Federal?	No
ADA legislation stricter than Federal?	No
Ban on hiring replacement workers during a strike?	No
Striking workers entitled to unemployment insurance?	No
Relatively difficult for an employer to contest and win a workers' comp. claim?	No
Relatively difficult for an employer to contest and win an unemployment ins. claim?	No
Right-to-Work law in effect?	Yes
EEO hiring standards more restrictive than Federal?	No
Sexual harassment laws more restrictive than Federal?	No
Mandated parental leave legislation more generous than Federal?	No
Onerous provisions for wrongful discharge?	No

## Quality of Life

1. **Taylor County, specifically the City of Abilene, functions as a regional center for business, healthcare, transportation, and education, which has resulted in a wide variety of lodging, dining, cultural, and retail opportunities.** The Abilene Philharmonic Orchestra, the Abilene Community Theatre, the Abilene Repertoire, the Abilene Opera Association, multiple spectator and participatory sporting events, annual celebrations, and numerous historical attractions are just a few of the opportunities available in Taylor County that enhance the quality of life.
  - Abilene has witnessed a dramatic renewal and redevelopment of its downtown district. In addition to renovating numerous downtown properties, Abilene plans on capturing its West Texas heritage in a facility called "Frontier Texas!" that will include both a visitors center and a historical experience.
  - Abilene has 31 parks covering 2,481 acres, two public swimming pools, and six public or private golf courses.
  - The climate and diverse environment of West Central Texas lends itself to year-round participation in most outdoor sports. There are at least six months of each year devoted to hunting seasons that focus on game birds and animals that are native to or abundant in this area.
2. **The cost of living is below the national average (as reported where data was available).**
  - In Abilene, the cost of living (COL) index is 96.2 where the U.S. is 100.
3. **The City of Abilene, on average, enjoys 350 days of sunshine per year.** The average annual temperature is 64.8 degrees Fahrenheit (F). In July, the average high temperature is 85 degrees F and the average low is 64 degrees F. In January, the average high is 65 degrees F, with the average low at 43 degrees F.
4. **The City of Abilene serves as a regional medical center.** Abilene has two hospitals comprising a total of 680 beds. 285 physicians practice in the City of Abilene, as well as 64 dentists.

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## INDUSTRY BACKGROUND

This target is comprised of two sectors, each of which would function as a regional center serving the Western portion of the State of Texas.

1. Trucking and Warehousing establishments
2. Wholesale Trade establishments

## Definitions

### Trucking and Warehousing

Firms in the trucking and warehousing industry provide a link between manufacturers and consumers. Businesses (and occasionally individuals) contract with trucking and warehousing companies to pick up, transport, store, and deliver a variety of goods. This industry includes two segments—local and long-distance trucking and terminals, and public warehousing and storage. However, the trend towards full-service logistical companies is blurring the distinction between trucking and warehousing.

Local and long-distance trucking and terminals provide over-the-road transportation of cargo using motor vehicles such as trucks and tractor-trailers. This industry segment is further subdivided based on distance traveled and type of goods delivered. Local trucking establishments primarily carry goods within a single metropolitan area and its adjacent non-urban areas. Long-distance trucking establishments carry goods between distant areas. Courier service establishments handle individual letters and light packages.

Local trucking comprised almost 65,000 trucking establishments nationally in 2000. The work of local trucking firms varies depending on the products transported. For example, trucking companies distributing food and beverage products usually pick up loaded trucks early in the morning and spend the rest of the day delivering products to many different grocery stores. Trucking companies distributing building products, on the other hand, make several trips from the warehouse to one or more construction sites. Some local truck transportation firms also take on sales and customer relations responsibilities in addition to delivering the firm's products.

Long-distance trucking firms account for a majority of the jobs in the trucking and warehousing industry. With more than 51,000 establishments in the U.S., this sector comprises establishments primarily engaged in providing long-distance trucking between distant areas and sometimes between the United States and Canada and Mexico. These establishments handle a wide variety of commodities transported in numerous types of equipment—from refrigerated trailers to flatbeds. Included in this industry are establishments operating as truckload (TL) or less-than-truckload (LTL) carriers.

- Truckload carriers move large amounts of goods directly to their destinations usually with no stops in between. These long-distance-carrier establishments provide full truck movement of freight from the shipment's origin to its destination. The shipment of freight is a full single load not combined with other shipments.
- Less-than-truckload carriers pick up multiple shipments and bring them to a terminal where they are unloaded and then reloaded by destination. The combined shipment is carried to a terminal near the shipments' destination, and each shipment is delivered from there. Through a national or regional network of terminals, activities of LTL carriers include local pickup, local sorting and terminal operations, line-haul of freight, destination sorting, terminal operations, and local delivery.

Some goods are carried across country using intermodal transportation to save time and money. Intermodal transportation encompasses any combination of truck, train, plane, or ship. Typically, trucks perform at least one leg in the intermodal transportation of goods. For example, a shipment of cars from an assembly plant begins its journey when they are loaded onto rail cars. Next, trains haul the cars across country to a depot where the shipments are broken into smaller lots, loaded onto tractor-trailers, and sent off on the final leg of their journey to dealerships. Each of these steps is carefully orchestrated and timed so that the cars arrive just in time to be

shipped on their next leg of their journey. Goods can be transported at lower cost this way, but they cannot be highly perishable, such as fresh produce, nor have strict delivery-time schedules. Trucking still dominates the transportation of perishable and time-sensitive goods.

Courier services establishments deliver letters, parcels, and small packages under 100 pounds, usually within the confines of a metropolitan area. In the past, they were one of the fastest growing segments of the industry.

Most motor freight transportation terminals are operated by large trucking companies. However, there were about 473 independent terminals not affiliated with trucklines in the U.S. in 2000. Many of these independent terminals break down truckloads of produce and other foods into shipments to area wholesalers. Many terminals also offer truck maintenance and repair services.

Public warehousing and storage facilities comprised more than 15,000 establishments nationally in 2000. These firms were primarily engaged in operating warehousing and storage facilities for general merchandise and refrigerated goods. They provided facilities to store goods; self-storage mini-warehouses that rent to the general public are also included in this segment of the industry.

Deregulation of interstate trucking in 1980 encouraged many firms to add a wide range of customer-oriented services to complement trucking and warehousing services, and led to innovations in the distribution process. Increasingly, trucking and warehousing firms provide businesses with full-service logistical services encompassing the entire transportation process, including inventory management, materials handling, and warehousing. Firms that offer these services are often referred to as third-party logistics providers (3PL). Logistical services manage all aspects of the movement of goods between producers and consumers, such as sorting bulk goods into customized lots, packaging and repackaging goods, inventory control and management, order entry and fulfillment, labeling, light assembly, and price marking. Logistical services such as computerized inventory information on the location, age, and quantity of goods available have improved the efficiency of relationships between manufacturers and customers. Just-in-time shipping—where trucking companies deliver goods from suppliers just in time for their use—allows recipients to reduce costly inventories, but requires constant communication and accurate inventory information. Packaging, labeling, and small assembly of manufacturers' products are other services that warehousing establishments use to attract potential customers. Some full-service companies even perform warranty repair-work and serve as local parts distributors for manufacturers.

## **Wholesale Trade**

When consumers purchase goods, they usually buy them from a retail establishment such as a supermarket, department store, gas station, or cybershop. When retail establishments, other businesses, governments, or institutions—such as universities or hospitals—need to purchase goods for resale, equipment, office supplies, or any other items, they normally buy them from wholesale trade establishments.

Wholesale trade firms are essential to the economy. They buy large lots of goods, usually from manufacturers, and sell them in smaller quantities to businesses, governments, other wholesalers, or institutional customers. They simplify product, payment, and information flows by acting as intermediaries between the manufacturer and the final customer. They store goods that neither manufacturers nor retailers can store until consumers require them. In so doing, they fill several roles in the economy. They provide businesses with a nearby source of goods made by many different manufacturers; they provide manufacturers with a manageable number of customers while allowing their products to reach a large number of users; and they allow manufacturers, businesses, institutions, and governments to devote minimal time and resources to transactions by taking on some sales and marketing functions—such as customer service, sales contact, order processing, and technical support—that manufacturers otherwise would have to perform.

There are three types of wholesale trade firms. For purposes of this target industry profile, only the wholesaler-distributors sector is relevant.

Wholesaler-distributors, sometimes known as merchant wholesalers, purchase goods from manufacturers in large quantities, store them, and then sell them to retailers, manufacturers, other wholesalers, or other customers. They

are, by far, the most common type of wholesaling business. Wholesalers are companies that resell products to another intermediary; distributors resell to the final customer.

The other two types of wholesale trade firms are sales branches and offices, and wholesale agents or brokers. Sales branches and offices of manufacturing operations are local offices of manufacturers. They market their own products and coordinate distribution directly from the producer to the buyer. They rarely handle stock during a sale. Wholesale agents or brokers coordinate the sale of goods from one party to another—usually from manufacturers to retailers. This category includes auction companies and commission merchants. They seldom take title to or handle goods in the process.

Only firms that sell most of their wares to businesses, institutions, and governments are considered part of wholesale trade. As a marketing ploy, many retailers that sell mostly to the general public present themselves as wholesalers. For example, “wholesale” price clubs, factory outlets, and other organizations are retail establishments, even though they sell their goods to the public at “wholesale” prices.

The size and scope of firms in the wholesale trade industry vary greatly. They sell any and every type of commodity. Customers buy goods to use in making other products, such as a bicycle manufacturer that purchases steel tubing, wire cables, and paint; for use in the course of daily operations, such as a corporation that buys office furniture, paper clips, or computers; or for resale to the public, such as a department store that purchases socks, flatware, or televisions. Wholesalers may offer only a few items for sale, perhaps all made by one manufacturer, or they may offer thousands of items produced by hundreds of different manufacturers. Wholesalers may sell only a narrow range of goods, such as very specialized machine tools, or a broad range of goods, such as all the supplies necessary to open a new store, including shelving, light fixtures, wall paper, floor coverings, signs, cash registers, accounting ledgers, and perhaps even some merchandise for resale.

Besides selling and moving goods to their customers, wholesaler-distributors may provide other services to clients, such as the financing of purchases, customer service and technical support, marketing services such as advertising and promotion, technical or logistical advice, and installation and repair services. After customers buy equipment, such as cash registers, copiers, computer workstations, or various types of industrial machinery, assistance often is needed to integrate the products into the customers’ workplaces. Wholesale trade firms often employ workers to visit customers, install or repair equipment, train users, troubleshoot problems, or advise on how to use the equipment most efficiently.

## **Employment Composition**

### **Trucking and Warehousing**

The trucking and warehousing industry provided more than 1.8 million wage and salary jobs nationally in 2000. About half of the salaried jobs in the industry, 926,000, were truck drivers and driver/sales workers. Other transportation and material-moving jobs totaled 350,000, while 314,000 jobs were in various office and administrative support occupations. There were about 99,000 managers, 57,000 bus and truck mechanics and diesel engine specialists, and 31,000 sales and related workers. In addition to wage and salary workers, an estimated 289,000 workers in the industry were self-employed in 2000.

Most employees in the trucking and warehousing industry work in small establishments. Over three out of four trucking and warehousing establishments employ fewer than 10 workers. Consolidation in the industry has reduced the number of small, specialized firms. About 8% of truck drivers operate their own business.

Trucking and warehousing establishments are found throughout the United States, with a higher concentration around the major interstate highways and in heavily industrialized regions of the country, such as in Texas, California, and New Jersey.

Many jobs in the trucking and warehousing industry require only a high school education, although an increasing number of workers have at least some college education. Increased emphasis on formal education stems from increased complexity in the industry. Nearly all operations involve computers and information management systems. Many occupations require detail-oriented persons with computer skills. A growing number of employers

recommend some form of formal training, either in-house or through trade or union programs. Although the Federal Government does not mandate these programs, the trend is toward certification and standardized competency.

Unskilled employees may work as helpers, laborers, and material-movers in their first jobs. They must be in good physical condition, because the work often involves a great deal of physical labor and heavy lifting. They acquire skills on the job and often advance to more skilled jobs, such as industrial truck operator, truck driver, shipping and receiving clerk, or supervisor.

Office and administrative support jobs in the trucking and warehousing industry require good typing skills and familiarity with computers. Shipping and receiving clerks watch and learn the skills of the trade from more experienced workers while on the job. Stock clerks and truck drivers often advance to dispatcher positions after becoming familiar with company operations and procedures.

While some vehicle and mobile equipment mechanics, installers, and repairers learn the trade on the job, most employers prefer to hire graduates of programs in diesel mechanics offered by community and junior colleges or vocational and technical schools. Those with no training often start as helpers to mechanics, doing basic errands and chores such as washing trucks or moving them to different locations. Experience as an automotive service technician is helpful, because many of the skills relate to diesel technology. Experienced technicians may advance to shop supervisor or parts manager positions.

For managerial jobs in the trucking and warehousing industry, employers prefer persons with bachelor's degrees in business, marketing, accounting, industrial relations, or economics. Good communication, problem-solving, and analytical skills are valuable in entry-level jobs. Although most managers must learn logistics through extensive training on the job, several universities offer graduate and undergraduate programs in logistics. These programs emphasize the tools necessary to manage the distribution of goods and are sometimes associated with the business departments of schools. Managers hired for entry-level positions sometimes advance to top-level managerial jobs.

## **Wholesale Trade**

Wholesale trade accounted for about 7 million wage and salary jobs in the U.S. in 2000, about 5% of all jobs in the economy. Firms that employed 10 or more workers provided about 83% of the jobs in wholesale trade; nevertheless, roughly seven out of 10 establishments in the industry are small, employing fewer than 10 workers. Although some large firms employ many workers, when compared with other industries, wholesale trade is characterized by a large number of relatively small establishments. Wholesale trade workers are spread fairly evenly throughout the country, have relatively low union membership, and are more likely to work full time than are workers in most other industries.

Although some workers need a college degree, most jobs in wholesale trade can be entered without education beyond high school. New workers usually receive training after they begin work—for instance, in operation of inventory management databases, on-line purchasing systems, or electronic data interchange systems. Technological advances and market forces are rapidly altering this industry. Even workers in small firms need to stay informed about new selling techniques, management methodologies, and information systems. In addition, these technological advances affect the skill requirements for occupations across the entire industry—from warehouse workers to truck drivers to those in management. As a result, numerous firms devote significant resources to worker training.

Many firms offer on-the-job training. However, as providing training is becoming more costly and complex, the industry is increasingly using third-party training organizations and trade associations to reduce this burden. To increase productivity, many companies make their employees responsible for more than one function and cross-train them by familiarizing them with many aspects of the company.

Wholesale trade has historically offered good advancement opportunities from the lowest skilled jobs up through management positions. For example, unskilled workers can start in the warehouse or stock room. After they become familiar with the products and procedures of the firm, workers may be promoted to counter sales or even

to inside sales positions. Others may be trained to install, service, and repair the products sold by the firm. Eventually, workers may advance to outside sales positions or to managerial positions. Wholesale trade firms often emphasize promotion from within, especially in the numerous small businesses in the industry. Even in some of the largest firms, it is not uncommon to find top executives who began as part-time warehouse help.

## **TARGET TRENDS**

The principal trends of this target favor a West Central Texas region location. These trends include:

- Logistics industry revenue in the U.S. totaled \$1.06 trillion in 2000.
- An Ernst & Young LLP study indicated nearly 75% of U.S. manufacturers and suppliers are either using or considering an external logistics service, and almost 80% of the companies see logistics as representing a key competitive advantage.
- The use of third party logistics (3PL) service providers has become an important component of the logistics strategies of many American companies. From an aggregate perspective, it has been estimated that the annual market for such services now exceeds \$50 billion per year according to a recent study published by Northeastern University.
- This same study estimates demand for third party logistics providers will grow by 11% in the next year.
- A recent article on logistics industry trends stated in-depth analysis of population growth trends as well as consumer "technographics" and "psychographics" are often used in making distribution facility location decisions. The top five markets predicted for population growth over the next four years are located in Texas, Nevada, and Florida. These areas also reflect the regions where the strongest potential for growth in industrial construction activity exists.

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## PRINCIPAL LOCATIONAL CRITERIA

The following factors are the most frequently sought-after conditions by companies from this industry when siting new facilities:

1. An overnight and second-day service territory with a significantly large market.
2. Excellent, low cost, motor carrier service.
3. Direct interstate service east/west and north/south.
4. Proximity to a local consumer and industrial market.
5. Favorable access to unskilled and semi-skilled labor:
  - Unskilled labor for “pick and pack” and packaging/filling functions, warehousemen positions, and material handlers.
  - Semi-skilled labor for operating forklift trucks and other equipment.
  - Principal skills sought by this industry include:
    - Assemblers
    - Bookkeeping, accounting, and auditing clerks
    - Clerical supervisors and managers
    - Dispatchers
    - Electrical and electronic technicians
    - Freight, stock, and material movers
    - General office clerks
    - Hand packers and packagers
    - Helpers, laborers, and material movers
    - Maintenance workers
    - Order clerks
    - Order fillers
    - Purchasing managers
    - Sales workers
    - Secretaries
    - Stock clerks
    - Traffic, shipping, and receiving clerks
    - Truck drivers—light and heavy
    - Truck mechanics
    - Wholesale buyers
6. A labor force with good basic and technical skills to manage the sophisticated, automatic, storage-and-retrieval equipment used in many facilities, and to have the basics to learn fundamental computer terminal use.
7. Low to moderate wages that are less than the national average.
8. Available, large tracts of inexpensive land.
9. Available modern warehouse space, coupled with office space for field staff; flex space.
10. Rail-served site opportunities.
11. No accounts receivables tax.

12. One-hour drive-time to a cargo-handling airport (important for some sectors of the industry, particularly those with products having high value-to-weight ratios, and those with highly sophisticated internal distribution and retrieval equipment).
13. UPS and FedEx on-site pick up service up to 7:00 PM (important for sectors of the industry dealing with high value-to-weight ratios, such as electronic and computer items, and specialized production and machinery products).
14. Low property tax rates or no taxes on non-production equipment and goods in transit.
15. Reasonable property tax rates on real estate.
16. Good contract support services for maintenance of facility distribution systems (e.g., conveyers, automatic storage and retrieval equipment).