

QUALITY OF LABOR PROGRAM



AMEREN'S AREA MANUFACTURERS ASSESSMENT

AND
FRANKLIN COUNTY,
MISSOURI

ASSESSMENT OF LABOR MARKET QUALITY

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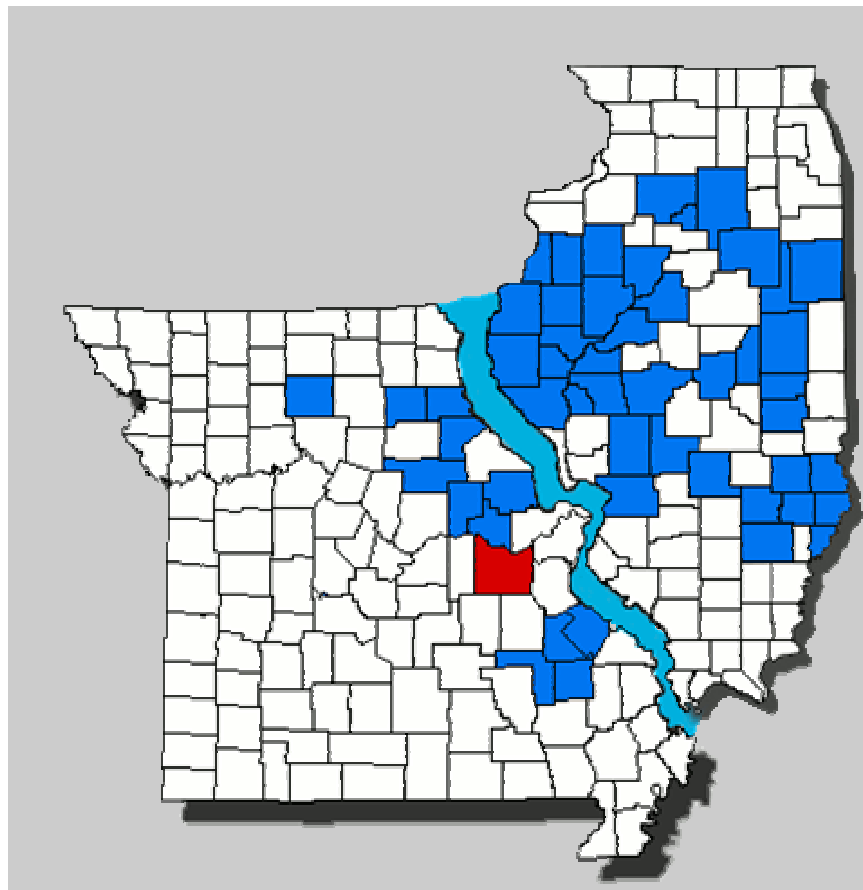
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EMPLOYMENT • SKILLS • PRACTICES • WAGES

FRANKLIN COUNTY, MISSOURI

AMEREN QUALITY OF LABOR PROGRAM MISSOURI AND ILLINOIS



A workforce assessment for Manufacturers from a survey of Manufacturers and Employers in Franklin County, Missouri and a two-state area.

December 2012

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TABLE OF CONTENTS

I. EXECUTIVE SUMMARY	1
Introduction	1
Program and Assessment Methodology	1
<i>Employer Statistics by Industry Type (Table)</i>	1
Quality and Skills Findings	2
<i>Top Two and bottom Two Characteristics (Table)</i>	2
Other Primary Findings	3
Company And Employment Profile	3
Employer Practices	3
Compensation Benefits and Wages	3
II. COMPANY AND EMPLOYMENT PROFILE	4
Employment Profile and Demographics	4
<i>Employment Profile (Table)</i>	4
<i>Employment Type By Year (Chart)</i>	4
Business Location Age	5
<i>Business Location Age (Table)</i>	5
<i>Business Location Age Index Comparisons (Chart)</i>	5
Education Achievement Level	6
<i>Education Achievement Level (Table)</i>	6
<i>Education Achievement Index Comparisons (Chart)</i>	6
Commuting Distance	7
<i>Commuting Distance (Table)</i>	7
<i>Commuting Distance Index Comparisons (Chart)</i>	7
III. QUALITY AND SKILLS	8
Manufacturers Quality Characteristics	8
<i>Manufacturers Quality Characteristics (Table)</i>	8
<i>Quality Index Comparisons (Chart)</i>	9
Manufacturers Skill Characteristics	9
<i>Manufacturers Skill Characteristics (Table)</i>	9
<i>Skill Index Comparisons (Chart)</i>	10
<i>Overall Quality and Skill Index Trend (Chart)</i>	10

IV. EMPLOYER PRACTICES	11
Employment Agencies	11
<i>Employment Agencies (Table)</i>	11
Work Teams And Diversity Plans	11
<i>Work Teams And Diversity Plans (Table)</i>	11
Applications To Fill Positions	12
<i>Applications To Fill Positions (Table)</i>	12
<i>Qualified Applications to Hire Index (Chart)</i>	12
Formal Training Programs	13
<i>Formal Training Programs (Table)</i>	13
<i>Formal Training Index (Chart)</i>	13
V. COMPENSATION BENEFITS AND WAGES	14
Insurance Benefits	14
Manufacturing Employer Contributions—Employees	14
<i>Employer Contributions By Benefit Category—Employees (Table)</i>	14
<i>Employer Insurance Participation Index—Employees (Chart)</i>	14
Manufacturing Employer Contributions—Dependents	15
<i>Employer Contributions By Benefit Category—Dependents (Table)</i>	15
<i>Employer Insurance Participation Index—Dependents (Chart)</i>	15
<i>Employer Insurance contributions By Year (Chart)</i>	16
Fringe Benefits And Operating Practices	16
<i>Fringe Benefits And Operating Practices (Table)</i>	16
Wages and Salaries	17
Starting Salary and Wage Ranges	17
<i>Two-State Area Salary Compensation Summary (Table)</i>	18
<i>Two-State Area Annual Salary Starting Range (Chart)</i>	18
<i>Two-State Area Wage Compensation Summary (Table)</i>	19
<i>Franklin County Hourly Wage Starting Range (Chart)</i>	20
Salary And Wage Comparisons	21
<i>Annual Average Salary Comparisons by Job Position (Table)</i>	21
<i>Hourly Average Wage Comparisons by Job Position (Table)</i>	21

I. EXECUTIVE SUMMARY

INTRODUCTION

The Ameren Manufacturers Area Assessment for the two-state service territory and Franklin County is a result of Ameren Corporation's Quality of Labor (QOL)

Program. Surveys are conducted in partnership with local Economic Development organizations and for this review is showcased with Franklin County, Missouri. By utilizing a standardized survey and indexing approach, it allows comparison on how manufacturers view similar workforce issues.

Manufacturers can now view how peers in the industry and by employment size are both similar and different based on perceptions of workforce quality, skills, compensation, and employment practices.

The following chart presents the total Quality of Labor database, however, focuses only on the highlighted manufacturing sector. This report will let the data speak for itself.

**Ameren's Quality of Labor Database
Employer Statistics By Industry Type**

	Franklin County	Two-State Ameren Service Area
All Employer Types	22	605
Total Employment	2,000	101,488
Employees Per Firm	91	168
Manufacturing/Logistics	19	262
Total Employment	1,682	42,165
Employees Per Firm	89	161
Commercial/Service/Retail/Other	2	299
Total Employment	63	50,073
Employees Per Firm	32	167
Government/All Levels Schools	1	44
Total Employment	255	9,250
Employees Per Firm	255	210

PROGRAM AND ASSESSMENT METHODOLOGY

While the overall respondents represent all industry sectors, this assessment is for those who identified themselves as manufacturers for Illinois and Missouri. The number of respondents is 262 manufacturers and represents over 42,000 employees.

Respondents were asked to estimate or approximate the answer for the following items: *Commuting Distance, Absenteeism, Turnover, Age of Employee, and Employer Contribution* toward benefits. It is important to recognize that these numbers are estimates and should be taken into consideration in the review.

QUALITY AND SKILL FINDINGS

The Quality and Skill findings are key indicators of how manufacturers view the Quality of Labor for each of their individual local areas. By following a disciplined selection and survey methodology for research results, the Two-state area has a margin of error of +/-5 percent. For local level subsets at the county or project level, the margin of error will be higher because of sample size and varied employment level participation.

**Manufacturing Quality and Skill Index
Top Two and Bottom Two Characteristics**

Index Description	Overall Two-State			Franklin County
	Ameren Service Area	Under 50	250+	
Quality Overall	3.64	3.72	3.54	3.71
1. Product Quality	4.15	4.21	4.09	4.37
2. Safety	4.01	4.01	3.98	4.26
11. Educational Achievement	3.01	3.06	2.89	3.11
12. Availability of Job Applicants	2.94	2.98	2.96	2.72
Skill Overall	3.33	3.32	3.32	3.42
1. Operations Monitoring	3.73	3.68	3.80	3.79
2. Reading comprehension	3.68	3.65	3.76	3.42
11. Mathematics	2.93	2.94	2.78	3.16
12. Science	2.79	2.69	2.84	3.32

The Quality and Skills Index table shows a consistent relationship where respondents in the Two-state area rate quality characteristics higher than skill characteristics.

There is a consistent correlation of smaller employers with under 50 employees rating quality characteristics higher than employers with over 250 employees.

The overall rating for the Skill Characteristics is 3.33 and the same for both small and large employers. The bottom two skill characters show large employers with Mathematics as the lowest rating of the twelve characteristics. Skill characteristic are like the ones used in the ACT Workkeys© Program. Workkeys© assessments are recognized as a method for measuring the basic and advanced skill levels of students and employees.

For the full Quality and Skill Listing, see pages 8 and 9.

OTHER PRIMARY FINDINGS

While these summary findings address only the key findings as it relates to the Two-State area labor market, the specific results in the assessment may help local stakeholders and the individual employer by comparison to a better understanding of the labor market and the particular workforce concerns. First, How does Franklin county compare in manufacturing jobs to other areas? According to the U.S. Census LED 2010, Franklin County has 23.1 percent of all jobs in Manufacturing. This compares to the 16-county St. Louis MSA with 7.7 percent and the State of Missouri with 9.2 percent of all jobs in Manufacturing.

Company And Employment Profile

- Large manufacturers have a higher percentage of employees with degrees (21.9%)
- Employees at smaller manufacturers tend to travel less (53.9%)

Employer Practices

- Almost all large manufacturers use Employment Agencies (93.3%)

Compensation Benefits And Wages

- Larger employers usually provide better insurance benefits (3.27)
- Smaller manufacturers have been reducing their insurance benefits
- All large manufacturers provide a retirement plan
- Smaller employers provide better compensation for second shift (\$0.59)
- Computer Programmers have the smallest salary range
- Franklin county compares well for competitiveness in Benefits and Wages

II. COMPANY AND EMPLOYMENT PROFILE

EMPLOYMENT PROFILE AND DEMOGRAPHICS

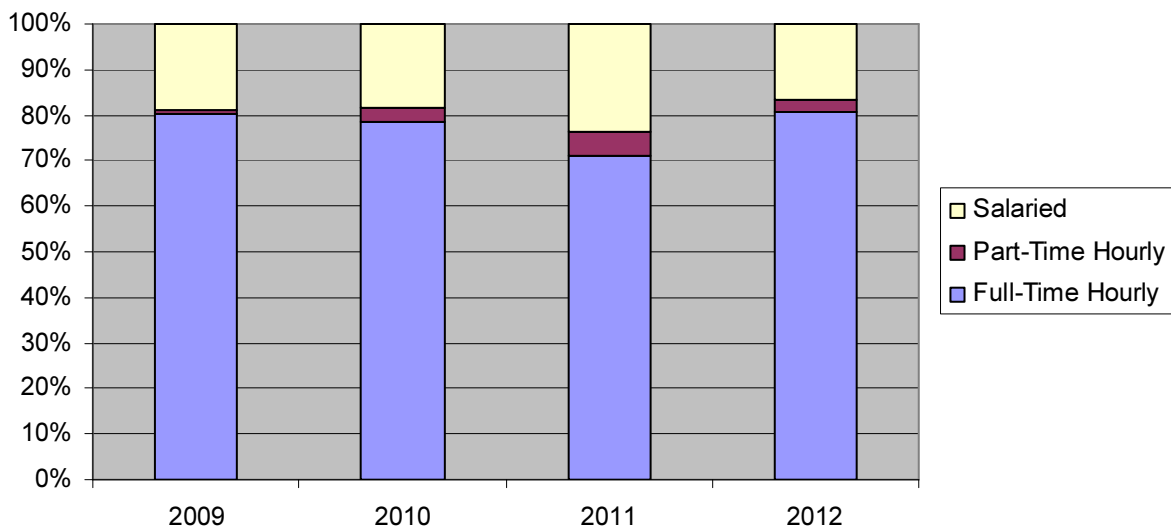
The Ameren Area Manufacturers Assessment represents 262 manufacturers located in the Ameren Two-State service area with 19 located in Franklin County, Missouri. The total Two-State database represents 605 employer respondents from 53 counties in Illinois and Missouri with a total of over 101,000 employees from all industry sectors.

Employment Profile

By providing an overall profile of data comparisons of smaller employers with less than 50 employees and larger employers with 250 or more employees local manufacturers can better assess the opportunities and challenges of the local industry.

	Franklin County	Overall Two-State	Under 50	250+
Number of Employers	19	262	104	45
Total Employment	1,682	42,165	2,937	26,659
Full-Time Hourly	1,320	33,027	2,075	21,423
Part-Time Hourly	70	1,350	181	834
Salary	292	7,728	681	4,402
Employees Per Firm	89	161	28	592
Avg. Length of Employment	11.2	10.4	10.0	11.6
Avg. Age	41.0	41.9	40.6	41.7
Absenteeism*	5.1%	4.0%	4.1%	4.0%
Turnover Rate**	6.8%	8.9%	9.1%	9.3%

Employment Type By Year



The Manufacturing sector is characterized on a year to year basis by a low percentage of part time employees to total employment. Compared to the high number of part-time employees some service sector industries employ, Manufacturers tend to hire almost exclusively full-time employees.

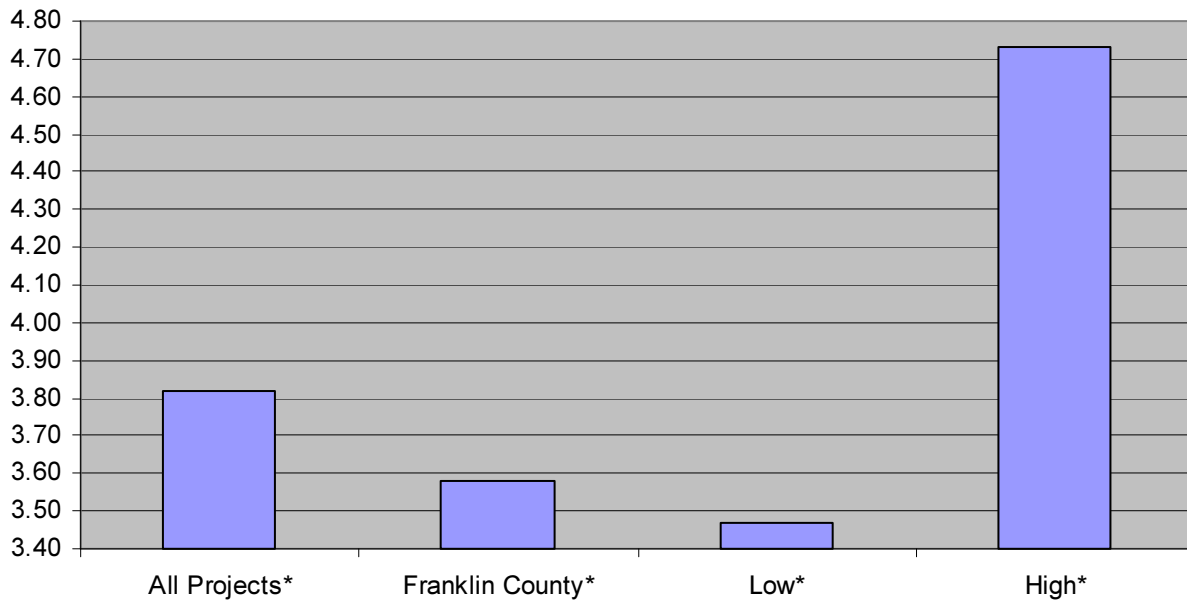
BUSINESS LOCATION AGE

The length of time an employer keeps their operations at a particular site. Larger manufacturers tend to remain in one location significantly longer with less turnover than small manufacturers.

Business Location Age

	Franklin County	Overall Two-State	Under 50	250+
Under 5 Years	5.3%	6.5%	15.4%	0.0%
5-10 Years	15.8%	11.8%	20.2%	4.4%
11-20 Years	26.3%	19.5%	21.2%	4.4%
21-30 Years	21.1%	17.6%	12.5%	20.0%
Over 30 Years	31.6%	44.7%	30.8%	71.1%

Business Location Age Index Comparisons



Index	3.82	3.58	3.47	4.73
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*See Appendix B—Glossary Of Terms for descriptions of Indices

The scale for business stability ranges from: (1) under 5 years, (2) 5 to 10 years, (3) 11 to 20 years, (4) 21 to 30 years, (5) over 30 years. The higher the index the longer businesses have been at the same location.

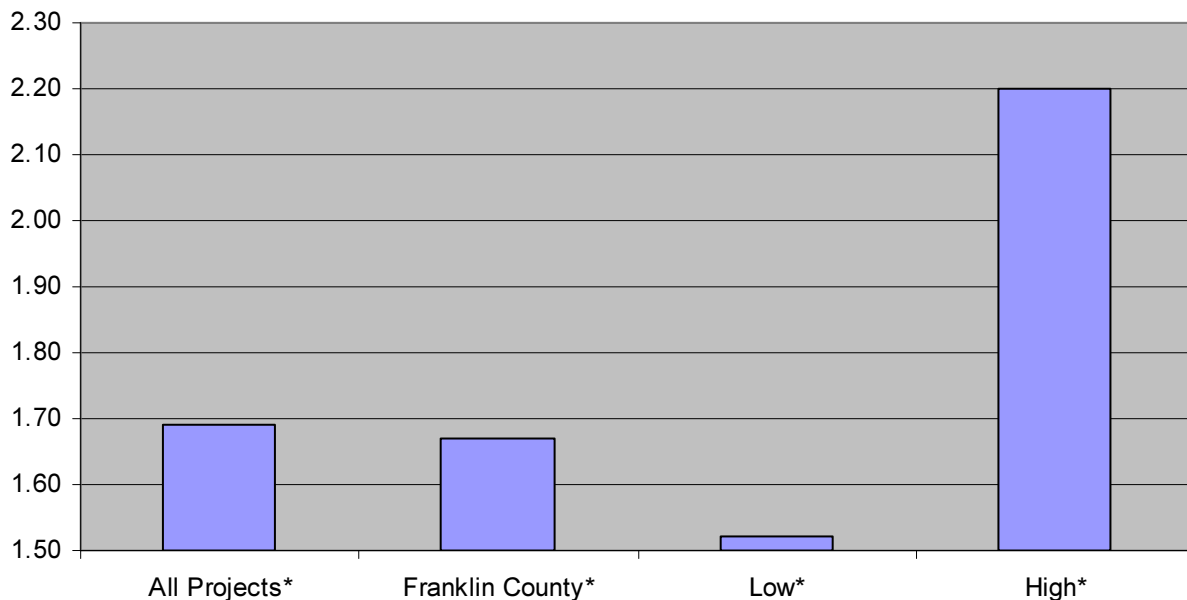
EDUCATION ACHIEVEMENT LEVEL

The amount of education an employer’s staff receive. Larger manufacturers tend to have employees with a significantly higher education achievement level than smaller manufacturers.

Education Achievement Level

	Franklin County	Overall Two-State	Under 50	250+
Less Than High School	9.1%	5.1%	6.9%	4.7%
High School Graduate	56.8%	63.8%	64.8%	62.0%
Some College	9.9%	10.3%	8.9%	11.4%
Associate Degree	13.3%	7.4%	6.1%	7.7%
College Degree	7.2%	11.5%	9.9%	11.0%
Post College/Professional	3.4%	2.7%	1.0%	3.2%

Education Achievement Index Comparisons



Index	1.69	1.67	1.52	2.20
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*See Appendix B—Glossary Of Terms for descriptions of Indices

The scale for education achievement ranges from: (0.5) less than high school, (1) a high school graduate, (2) some college, (3) associate degree, (4) college degree, (5) post college/professional. The higher the index of education achievement for the project or county, the higher would be the implied quality and skills of the manufacturing workforce.

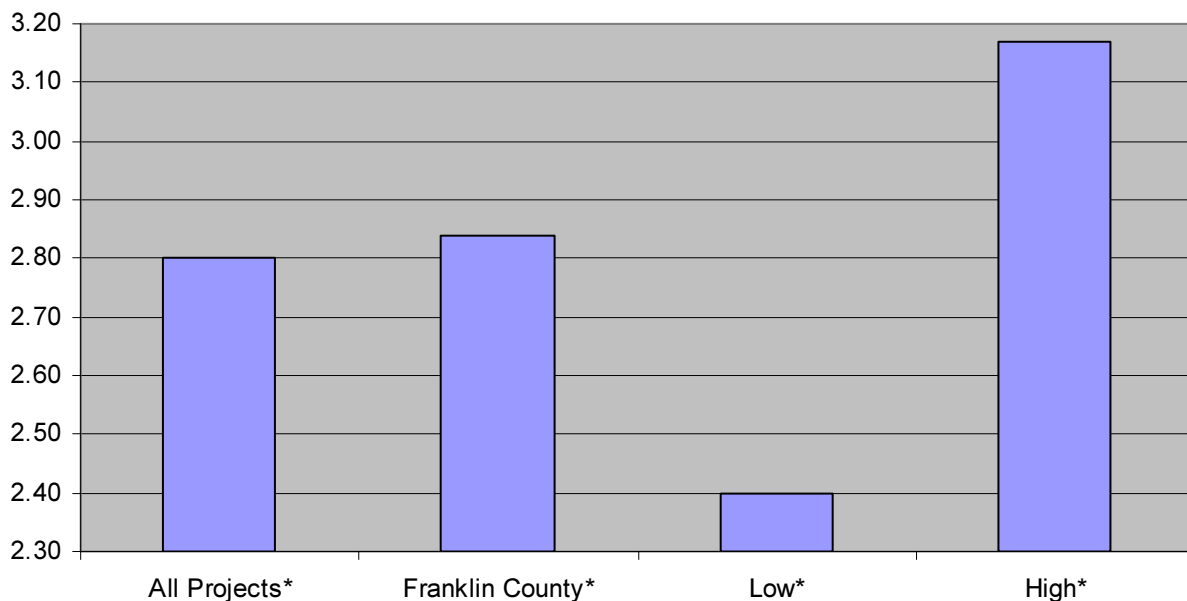
COMMUTING DISTANCE

How far an employer’s staff drive to work. Larger manufacturers tend to attract commuting employees from greater distances than smaller manufacturers.

Commuting Distance

	Franklin County	Overall Two-State	Under 50	250+
<10 Minutes	36.6%	44.8%	53.9%	42.0%
10-30 Minutes	46.6%	37.4%	37.1%	37.2%
31-50 Minutes	12.6%	13.3%	7.9%	14.9%
51 Or More Minutes	4.1%	4.4%	1.1%	5.9%

Commuting Distance Index Comparisons



Index	2.80	2.84	2.40	3.17
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*See Appendix B—Glossary Of Terms for descriptions of Indices

The scale for commuting distances range from: (2) less than 10 miles, (3) 10 to 30 miles, (4) 31 to 50 miles, (5) 51 + miles. Permanent higher gasoline prices may change commuting patterns in the future.

III. QUALITY AND SKILLS

Key elements of the Ameren quality of Labor Program are the Quality and Skills assessment of the employees as viewed by manufacturers. Information on the indexing methodology and definitions of the skill characteristics are in the Appendixes.

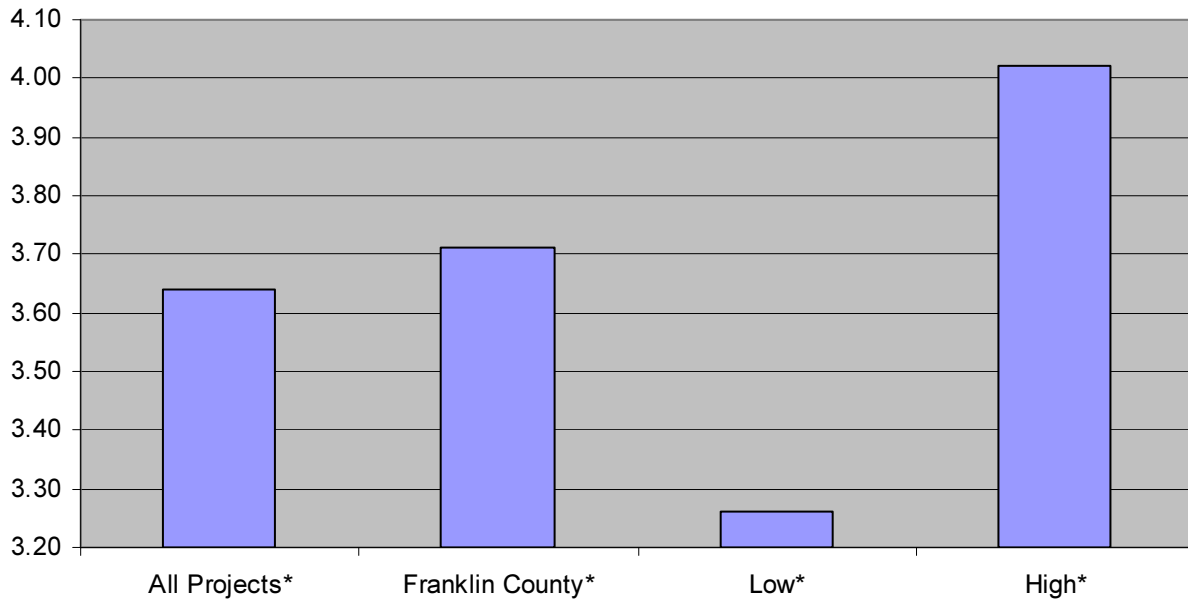
MANUFACTURERS QUALITY CHARACTERISTICS

Twelve (12) quality characteristics were rated by manufacturing employers on a scale of five (5)-excellent, to one (1)-poor. A rating of three (3) is considered average. The right column shows the two-state overall index which can be compared to the Franklin County rating. While the Quality Characteristic ratings tend to vary moderately, the relative ranking varies little in the descending order. Smaller employers tend to rank their employees higher.

Manufacturers Quality Characteristics

	Franklin County	Overall Two-State	Under 50	250+
Overall Quality Index	3.71	3.64	3.72	3.54
Product Quality	4.37	4.15	4.21	4.09
Productivity	4.26	3.98	4.07	3.96
Safety	4.26	4.01	4.01	3.98
Honesty	3.95	3.88	3.95	3.82
Work Ethic	3.89	3.74	3.88	3.60
Reliability	3.75	3.75	3.90	3.62
Trainability	3.68	3.73	3.82	3.60
Attitude	3.68	3.65	3.84	3.36
Team Compatibility	3.58	3.68	3.76	3.69
Initial Skills	3.21	3.11	3.17	2.87
Educational Achievement	3.11	3.01	3.06	2.89
Availability of Job Applicants	2.72	2.94	2.98	2.96

Quality Index Comparisons



Index	3.64	3.71	3.26	4.02
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*See Appendix B—Glossary Of Terms for descriptions of Indices

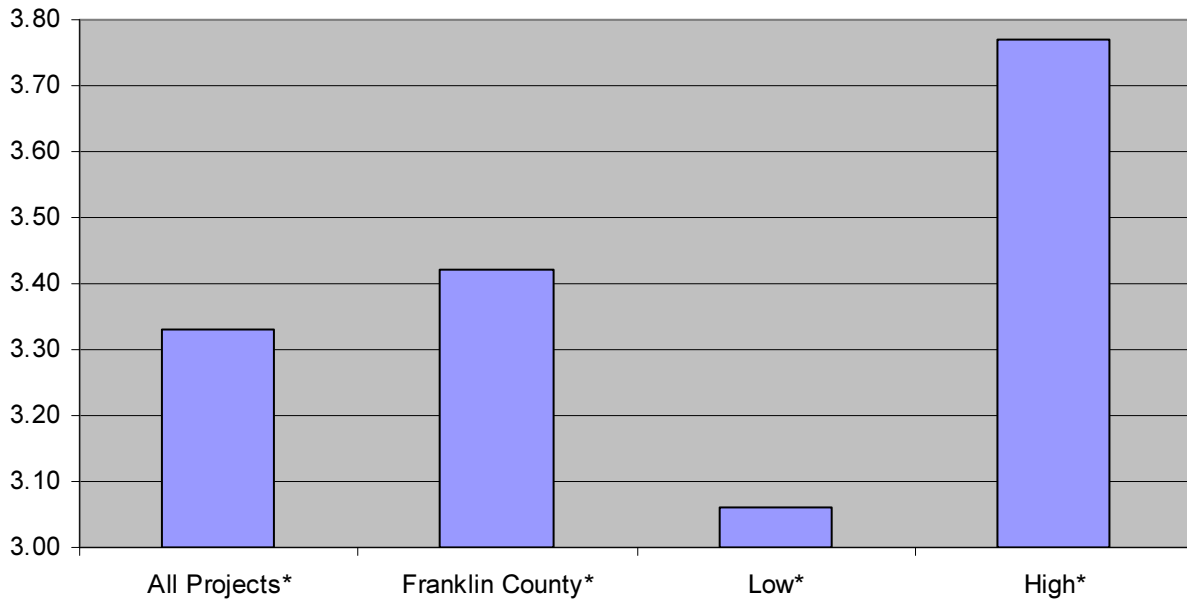
MANUFACTURERS SKILL CHARACTERISTICS

Twelve (12) skill characteristics were rated by responding manufacturing employers on a scale of five (5)-excellent to one (1)-poor. A rating of three (3) is considered average. Small employers tend to rank the skill characteristics of their employees slightly lower.

Manufacturers Skill Characteristics

	Franklin County	Overall Two-State	Under 50	250+
Overall Skill Index	3.42	3.33	3.31	3.33
Operation Monitoring	3.79	3.73	3.68	3.80
Management of Material Resources	3.63	3.53	3.48	3.49
Active Listening	3.53	3.36	3.35	3.29
Service Orientation	3.47	3.37	3.41	3.33
Social Perceptiveness	3.42	3.05	3.08	3.00
Troubleshooting	3.42	3.48	3.49	3.48
Reading Comprehension	3.42	3.68	3.65	3.76
Active Learning	3.42	3.51	3.54	3.49
Judgment and Decision Making	3.37	3.31	3.34	3.38
Science	3.32	2.79	2.69	2.84
Mathematics	3.16	2.93	2.94	2.78
System Evaluation	3.11	3.21	3.16	3.27

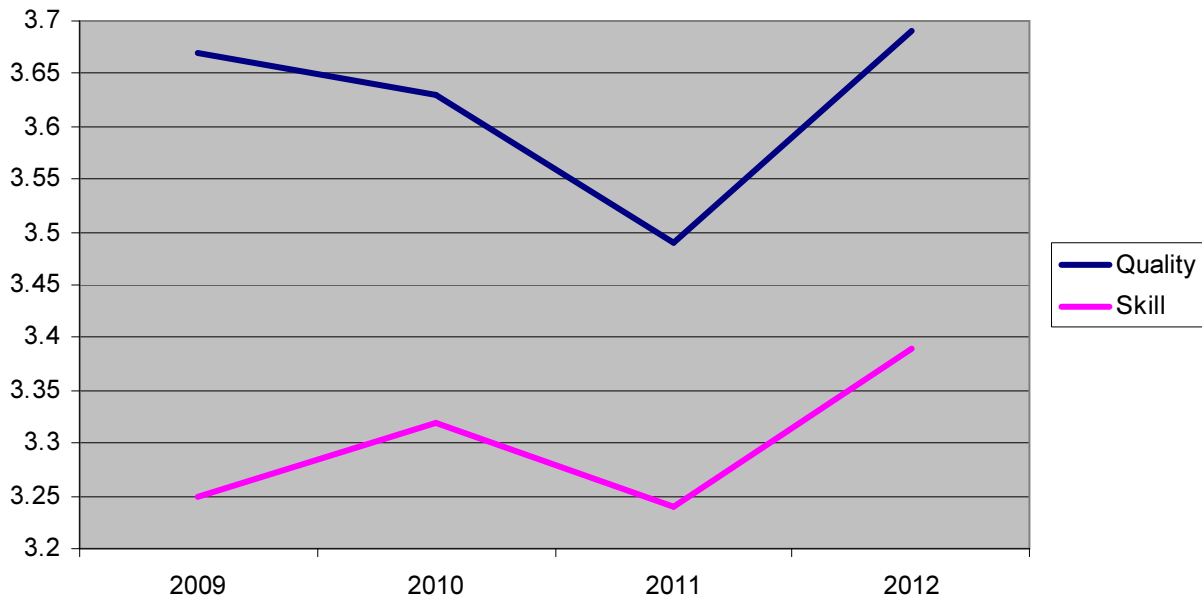
Skill Index Comparisons



Index	3.33	3.42	3.06	3.77
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*See Appendix B—Glossary Of Terms for descriptions of Indices

Overall Quality and Skill Index Trend



The overall Quality and Skill ratings indicate changes from year to year with 2011 showing a significant drop and 2012 a recovery on the ratings. Manufacturers consistently rank Quality characteristics higher than Skill Characteristics

IV. EMPLOYER PRACTICES

EMPLOYMENT AGENCIES

Only 65.0 percent of all manufacturers in the Ameren Two-State service area use employment agencies with 93.3 percent of large Manufacturers utilizing agencies. Thirty-five percent use no employment agencies (public or private) for their hiring recruitment. Large manufacturers tend to use employment agencies more than small employers.

Employment Agencies

	Franklin County	Two-State Overall	Under 50	250+
Use Employment Agencies	53.0%	65.0%	48.1%	93.3%
Use Private Agencies	89.0%	86.0%	82.1%	84.6%
Use Public Agencies	11.0%	14.0%	17.9%	15.4%

WORK TEAMS AND DIVERSITY PLANS

Larger manufacturers tend to utilize self-directed work teams and have written diversity plans to a greater degree than small employers.

Work Teams and Diversity Plans

	Franklin County, Missouri	Two-State Overall	Under 50	250+
Diversity Plan	42.0%	48.8%	33.0%	64.4%
Work Teams	42.0%	50.0%	50.0%	54.5%

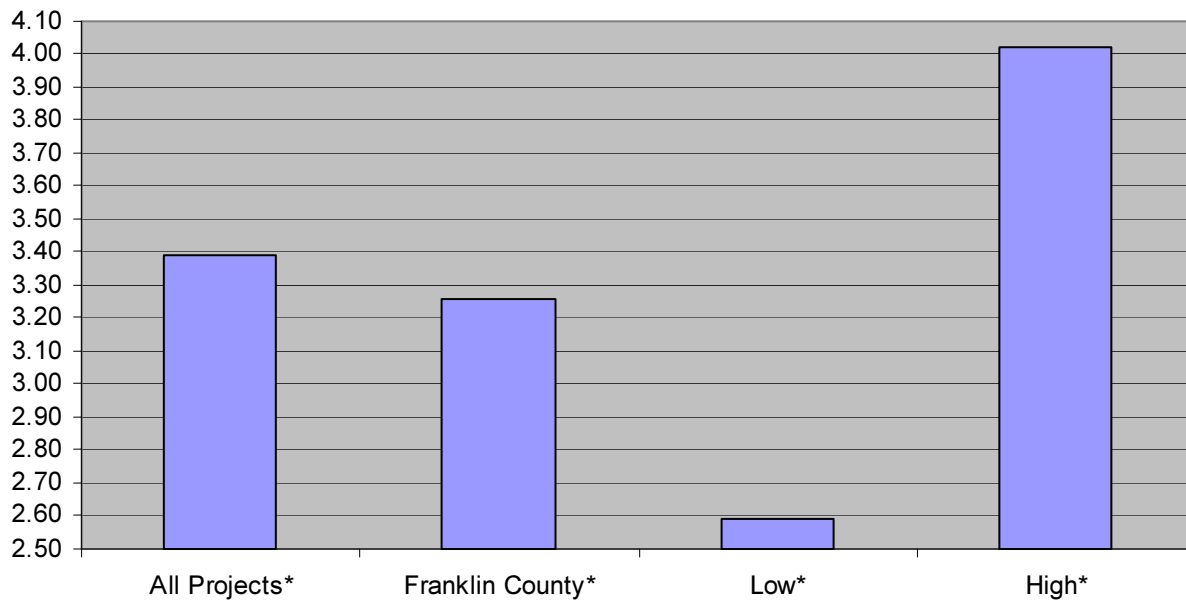
APPLICATIONS TO FILL POSITIONS

This section relates to employers practices and experience as it applies to the availability of job applicants. The greater the number of qualified applicants to fill positions, the greater the perceived opportunity in filling those open positions. Employers' perceptions about hiring people is not only about the number of people looking for work but the number of applicants meeting the soft and hard skills for those open positions.

Applications To Fill Positions

	Franklin County	Overall Two-State	Under 50	250+
Less than 16	31.6%	29.0%	37.5	8.9%
16 -- 30	47.4%	39.7%	40.4	35.6%
31 -- 60	15.8%	21.8%	12.5	44.4%
61 Or More	5.3%	9.5%	9.6	11.1%

Qualified Applications To Hire Index



Index	3.39	3.26	2.59	4.02
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*See Appendix B—Glossary Of Terms for descriptions of Indices

The scale to fill five vacant positions ranges from: (2) less than 16 applicants, (3) 16 to 30 applicants, (4) 31 to 60 applicants, (5) 61 or more.

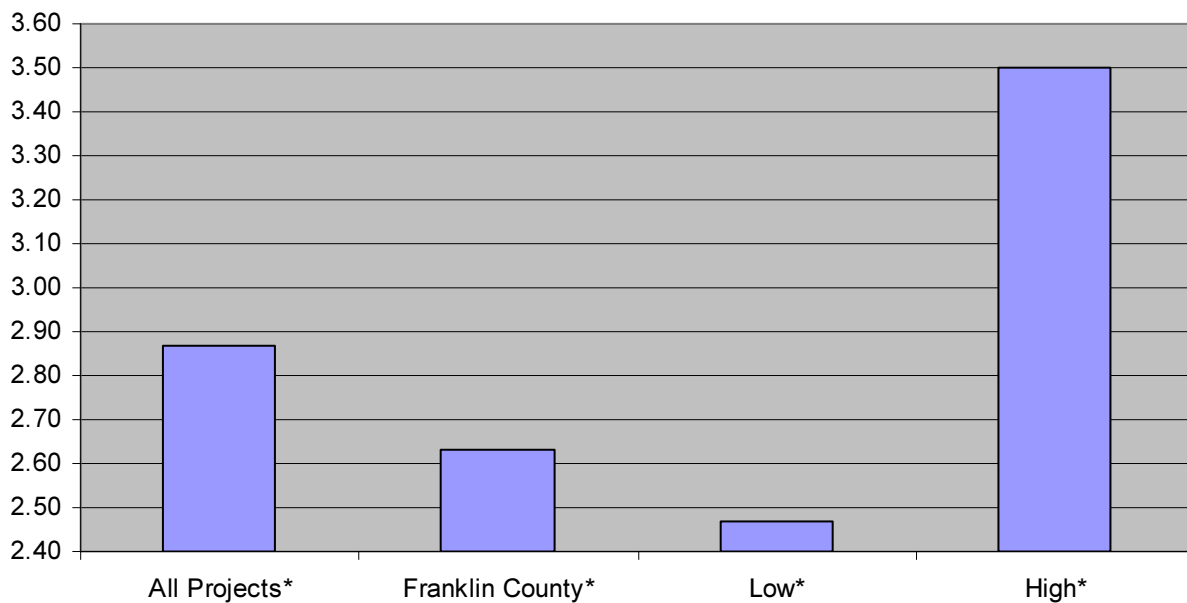
FORMAL TRAINING PROGRAMS

The amount of formal training employers provide their staff. Larger manufacturers tend to provide more training than small manufacturers.

Formal Training Programs

Hours Of Training	Franklin County	Overall Two-State	Under 50	250+
None	5.3%	11.1%	19.2%	0.0%
1-9	47.4%	32.4%	37.5%	26.7%
10-20	36.8%	27.5%	22.1%	24.4%
21-40	0.0%	15.3%	8.7%	28.9%
> 40	10.5%	13.0%	12.5%	20.0%

Formal Training Index



Index	2.87	2.63	2.47	3.50
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*See Appendix B—Glossary Of Terms for descriptions of Indices

The scale for formal training range from: (1) none, (2) 1 to 9 hours, (3) 10 to 20 hours, (4) 21 to 40 hours, (5) more than 40 hours.

V. COMPENSATION BENEFITS AND WAGES

INSURANCE BENEFITS

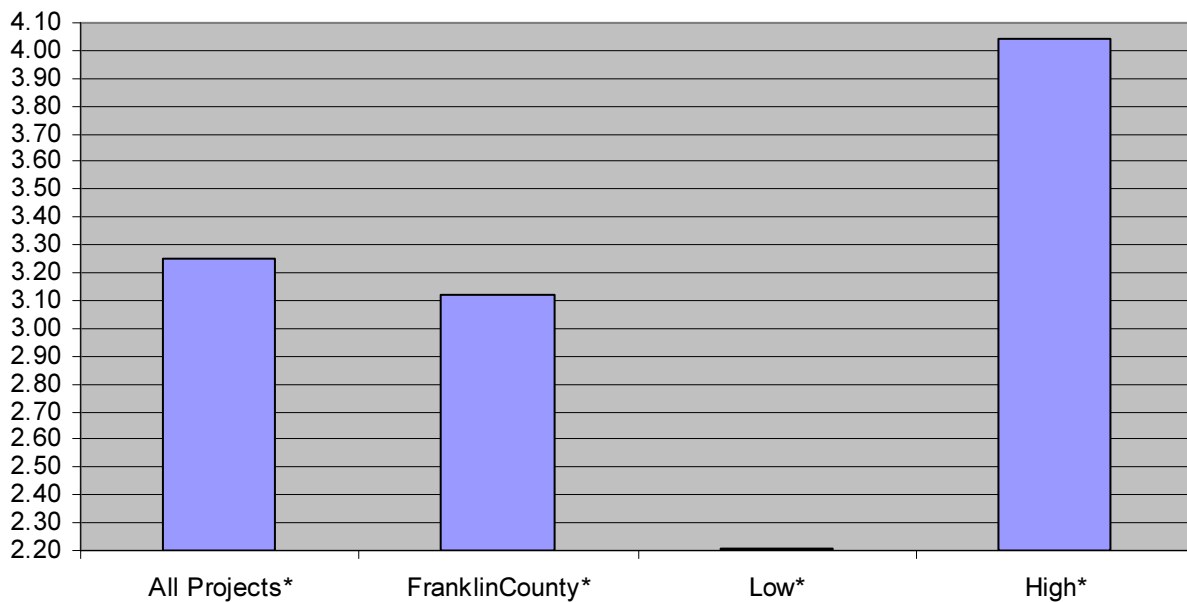
The *Benefits* section is another large component of workforce costs and varies both by the employer type and size of the company. Generally, larger employers provide better overall benefit plans for their employees. Organizations with bargaining units also tend to provide more in benefit contributions to overall compensation than non-union employers.

MANUFACTURING EMPLOYER CONTRIBUTIONS - EMPLOYEES

Employer Contributions By Benefit Category—Employees

	Franklin County	Overall Two-State	Under 50	250+
Employee Benefits	3.12	3.25	2.48	3.27
Group Life Insurance	3.80	4.32	3.30	4.36
Health Insurance	3.27	3.66	3.33	3.66
Dental Insurance	2.94	2.96	1.81	3.00
Vision Care	2.46	2.03	1.48	2.04

Employer Insurance Participation Index—Employees



Index	3.25	3.12	2.21	4.04
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*See Appendix B—Glossary Of Terms for descriptions of Indices

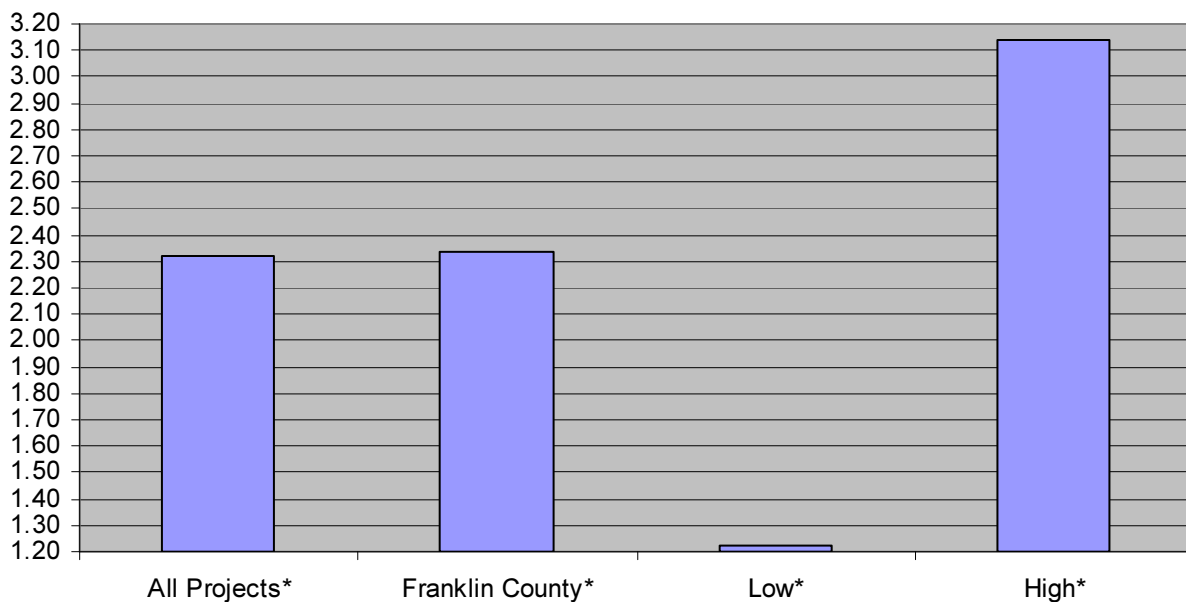
The scale for employer contributions range from (0) or (no plan), (1) has plan but does not contribute financially, (2) contributes 1 to 49% of premium cost, (3) contributes 50 to 74% of premium cost, (4) contributes 75 to 99% of premium cost, (5) contributes 100% of premium cost.

MANUFACTURING EMPLOYER CONTRIBUTIONS - DEPENDENTS

Employer Contributions By Benefit Category—Dependents

Plan	Franklin County	Overall Two-State Index	Under 50	250+
Dependent Benefits	2.34	2.32	1.69	2.36
Group Life Insurance	0.91	1.59	1.32	1.55
Health Insurance	3.09	3.34	2.55	3.43
Dental Insurance	2.77	2.59	1.61	2.70
Vision Care	2.57	1.77	1.27	1.76

Employer Insurance Participation Index—Dependents

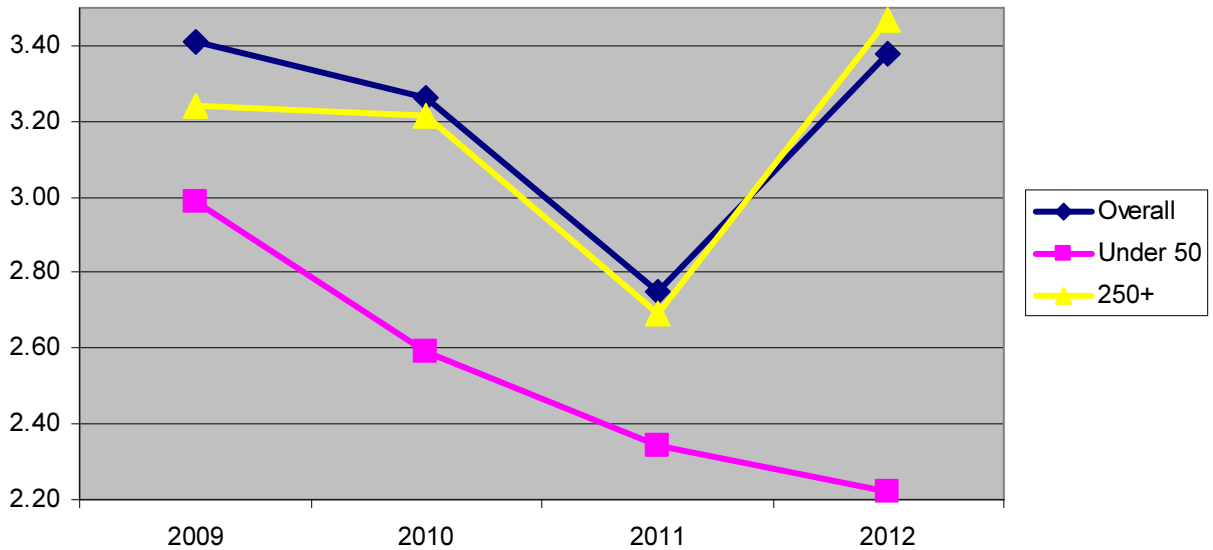


Index	2.32	2.34	1.22	3.14
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*See Appendix B—Glossary Of Terms for descriptions under Projects

The scale for employer contributions range from (0) or (no plan), (1) has plan but does not contribute financially, (2) contributes 1 to 49% of premium cost, (3) contributes 50 to 74% of premium cost, (4) contributes 75 to 99% of premium cost, (5) contributes 100% of premium cost.

Employer Insurance Contributions By Year



FRINGE BENEFITS AND OPERATING PRACTICES

Retirement plans vary widely for small and large manufacturers. Thirty-one percent of large manufacturers have both a 401K and pension plan, compared with only 9.6 percent for small manufacturers. Seventeen percent of small manufacturers have no retirement plans. Benefits as a percentage of total compensation costs are eight percent greater for large companies

Fringe Benefits And Operating Practices

		Franklin County	Two-State Overall	Under 50	250+
Retirement Plan	No Plan	21.1%	8.4%	17.3%	0.0%
	401K	73.7%	75.2%	72.1%	68.9%
	Pension Plan	0.0%	1.1%	1.0%	0.0%
	Both	5.3%	15.3%	9.6%	31.1%
Paid Holiday		8.4	8.9	8.2	9.8
Tuition Sponsorship		36.8%	59.0%	41.3%	84.8%
Tuition Participation		2.1%	58.9%	2.1%	1.8%
Benefit Compensation Costs		28.1%	27.0%	23.7%	32.1%
Multi-shift Operations		50.0%	69.0%	45.1%	97.8%
Avg. Hours per Shift		8.2	8.6	8.3	9.5
Work Days per Week		5.2	5.4	5.5	5.8
Second Shift Differential		\$0.644	\$0.430	\$0.591	\$0.391
Third Shift Differential		\$0.300	\$0.377	\$0.330	\$0.463

WAGES AND SALARIES

While workforce cost is an important element when evaluating an existing labor market, it is not the only factor. Workforce quality, skills, and availability covered in other sections of this study are also key factors. A highly competitive labor cost structure is critical in both the domestic and global marketplaces. The labor factor is easier to evaluate when all components (quality, availability, and cost) are part of the assessment process.

All wages and salaries are weighted by number of employees. In some cases there are wide ranges from the minimum starting to the maximum starting values. Employer types by industry and employment level (number of employees) impact the values reported by the respondents. A different mix of reporting respondents could well change the results.

Starting Salary and Wage Ranges

This section reflects the starting high and low salary or wage as reported by the manufacturing respondents in the Ameren Service area. In some instances there are wide ranges in the reported values where the top salary or wage is over three to four times the lowest value. All salaries and wages have been weighted by employment level. By weighting the average, it is easier to see where the truer market rate for that job classification rests.

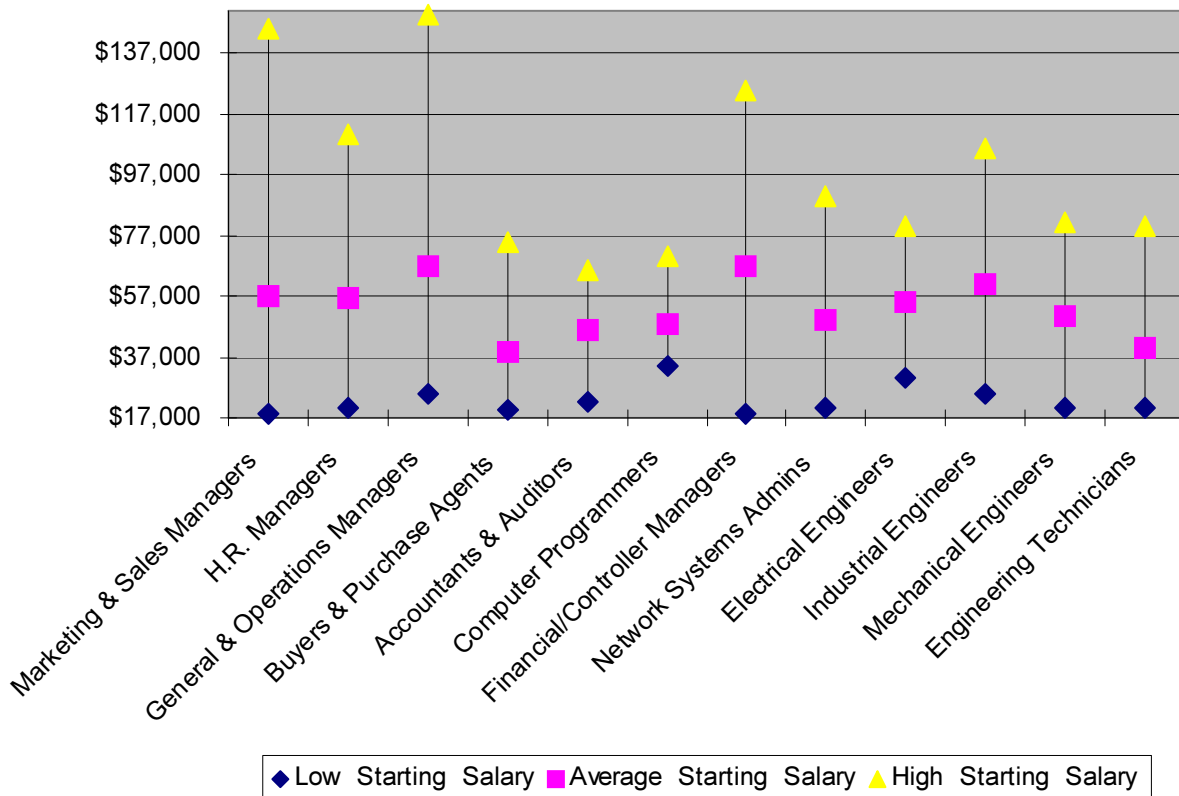
Another indicator of the wide ranges is the importance the employers place on those professional and technical positions and the availability of those positions in their operating market area. The size of the organization and the mix of those responding to the survey can be a factor on the salary range.

Two-State Area Salary Compensation Summary

Job Classification*	Two State Ameren Service Area			
	Low Starting Salary	Average Starting Salary	High Starting Salary	Overall Average Salary
Marketing & Sales Managers	\$18,000	\$57,091	\$145,000	\$85,675
H.R. Managers	\$20,000	\$56,514	\$110,000	\$71,166
General & Operations Managers	\$25,000	\$66,768	\$150,000	\$88,100
Buyers & Purchase Agents	\$19,500	\$38,431	\$75,000	\$50,462
Accountants & Auditors	\$22,000	\$46,127	\$65,600	\$57,034
Computer Programmers	\$34,200	\$48,010	\$70,000	\$58,915
Financial/Controller Managers	\$18,000	\$66,783	\$125,000	\$81,193
Network Systems Admins	\$20,488	\$49,324	\$90,000	\$62,317
Electrical Engineers	\$30,000	\$54,994	\$80,000	\$74,546
Industrial Engineers	\$25,000	\$60,965	\$106,000	\$73,293
Mechanical Engineers	\$20,488	\$50,491	\$81,570	\$68,840
Engineering Technicians	\$20,000	\$40,266	\$80,000	\$50,500

* See glossary for more information

Two-State Area Annual Salary Starting Range

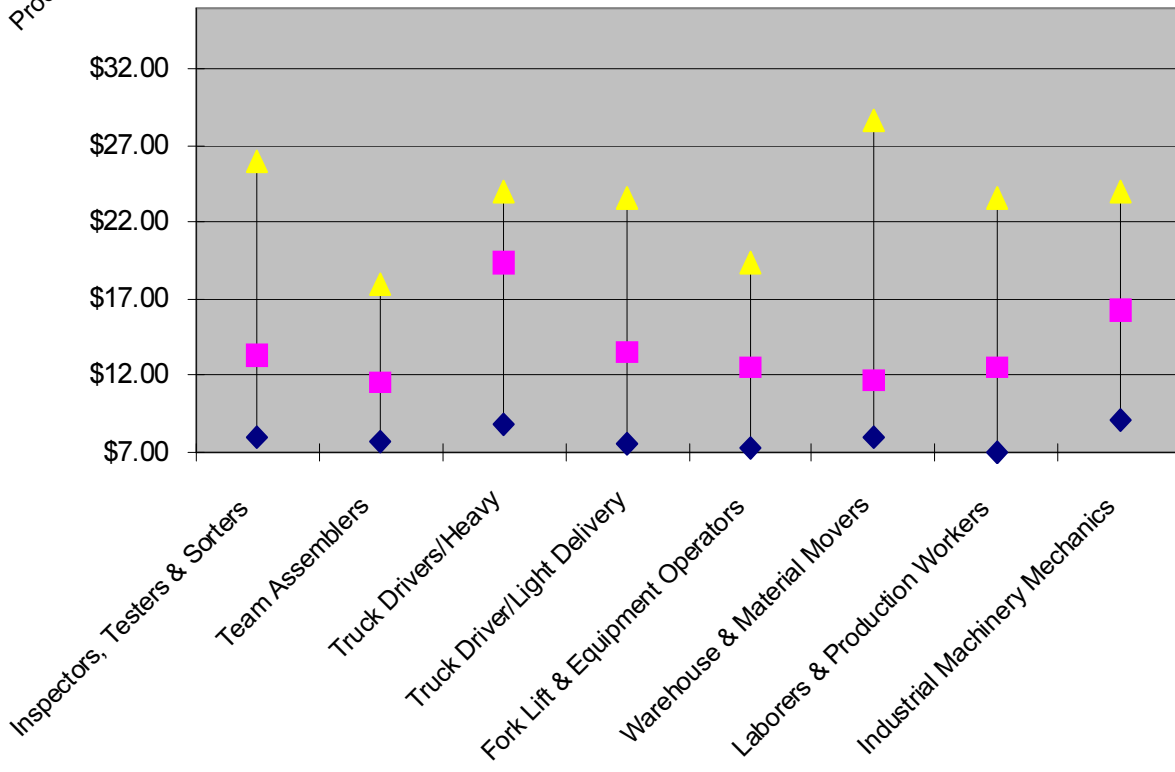
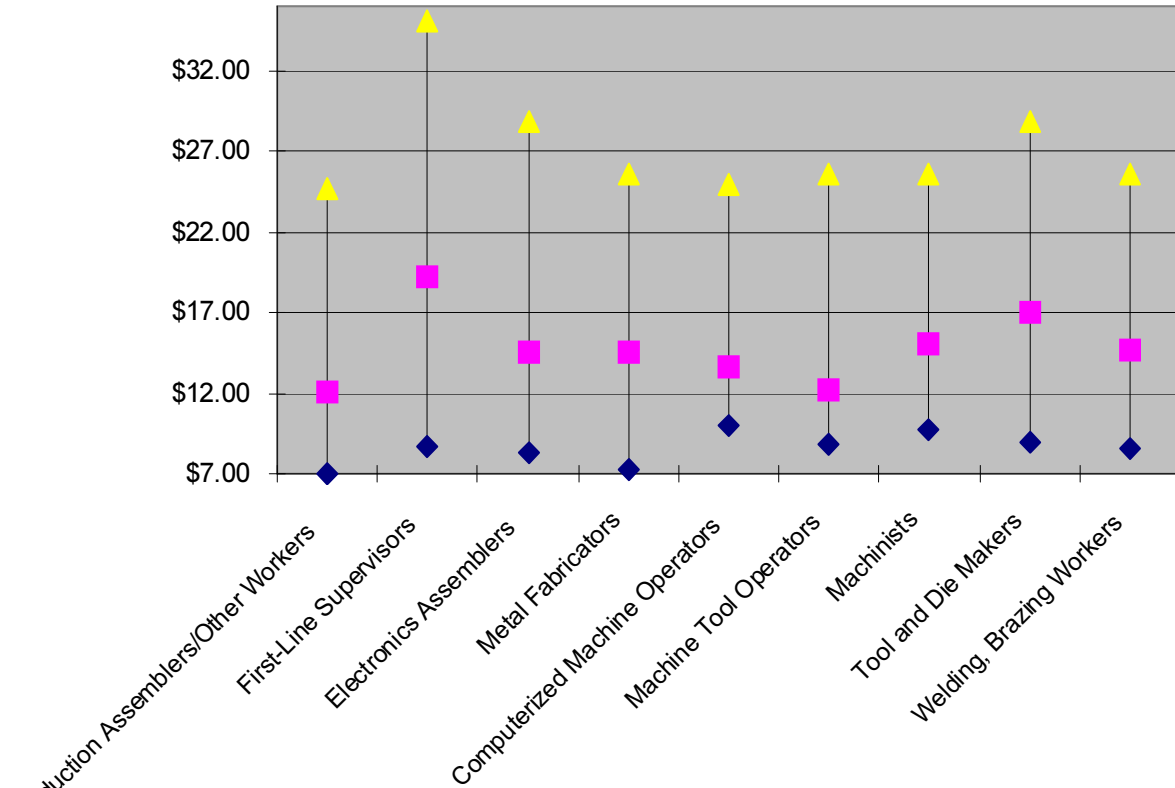


Two-State Area Wage Compensation Summary

Job Classification	Two State Ameren Service Area			
	Low Starting Wage	Average Starting Wage	High Starting Wage	Overall Average Wage
Production Assemblers/Other Workers	\$7.00	\$12.07	\$24.65	\$15.89
First-Line Supervisors	\$8.75	\$19.19	\$35.14	\$23.79
Electronics Assemblers	\$8.25	\$14.57	\$28.79	\$16.88
Metal Fabricators	\$7.25	\$14.58	\$25.59	\$17.94
Computerized Machine Operators	\$10.00	\$13.61	\$25.00	\$16.20
Machine Tool Operators	\$8.80	\$12.16	\$25.59	\$15.73
Machinists	\$9.70	\$15.03	\$25.59	\$19.88
Tool and Die Makers	\$9.00	\$17.06	\$28.84	\$22.03
Welding, Brazing Workers	\$8.50	\$14.66	\$25.59	\$17.84
Inspectors, Testers & Sorters	\$8.00	\$13.29	\$26.00	\$16.87
Team Assemblers	\$7.65	\$11.50	\$18.00	\$14.27
Truck Drivers/Heavy	\$8.80	\$19.36	\$24.03	\$20.73
Truck Driver/Light Delivery	\$7.50	\$13.48	\$23.68	\$15.41
Fork Lift & Equipment Operators	\$7.25	\$12.50	\$19.40	\$15.79
Warehouse & Material Movers	\$8.00	\$11.70	\$28.75	\$14.65
Laborers & Production Workers	\$7.00	\$12.53	\$23.68	\$14.86
Industrial Machinery Mechanics	\$9.15	\$16.32	\$24.04	\$20.84

*The overall wage averages for the Two-State area reflects a greater range in the starting low and high averages. It represents only those manufacturers targeted for the survey and those responding to it.

Franklin County Hourly Wage Starting Range



◆ Low Starting Wage ■ Average Starting Wage ▲ High Starting Wage

Salary and Wage Rate Comparisons

The information in the salary and wage section covers 29 job classifications similar to the Bureau of Labor Statistics (BLS) and in the following key categories: Management, Business & Financial Operations, Computer & Mathematical, Architecture & Engineering, Production Occupations, and Transportation & Material Moving.

Salary Job Classifications*	Franklin County	Two-State Overall	Less than 50	250+	Missouri Overall***	USA Overall***
Management						
Marketing & Sales Managers	\$88,317	\$85,675	\$68,661	\$101,293	\$108,900	\$122,720
Human Resources Managers	\$77,725	\$71,166	\$48,950	\$81,108	\$97,140	\$108,600
General & Operations Managers	\$93,240	\$88,100	\$74,927	\$87,964	\$89,590	\$113,100
Financial/Controller Manager	\$75,368	\$81,193	\$65,683	\$89,563	\$109,300	\$116,970
Business & Financial Operations						
Buyers & Purchasing Agents	\$55,813	\$50,462	\$48,234	\$50,133	\$53,760	\$60,160
Accountants & Auditors	\$66,750	\$57,034	\$48,545	\$58,747	\$61,850	\$68,960
Computer & Mathematical						
Computer Programmers	\$56,667	\$58,915	\$61,742	\$57,456	\$71,190	\$74,900
Network Systems Administrators	\$55,582	\$62,317	\$57,273	\$63,091	\$70,180	\$72,200
Architecture & Engineering						
Electrical/Electronic Engineers	\$71,650	\$74,546	\$111,750	\$64,337	\$85,190	\$90,270
Industrial Engineers	\$73,880	\$73,293	\$59,875	\$73,447	\$79,150	\$78,450
Mechanical Engineers	\$73,615	\$68,840	\$67,907	\$67,610	\$78,860	\$82,480
Engineering Technicians	\$57,235	\$50,500	\$47,417	\$49,290	\$56,370	\$59,060
Wage Job Classification*	Franklin County	Two-State Overall	Less than 50	250+	Missouri Overall***	USA Overall***
Production Occupations						
Line Supervisors/Foreman	\$26.53	\$23.79	\$20.19	\$25.27	\$24.95	\$27.01
Electronics Assemblers	\$14.48	\$16.88	\$13.42	\$18.04	\$14.14	\$14.96
Metal Fabricators and Fitters	\$20.37	\$17.94	\$16.37	\$20.52	\$18.06	\$17.26
Team Assemblers	\$11.20	\$14.27	\$14.93	\$14.76	\$14.46	\$14.05
Production Assembly	\$14.29	\$15.89	\$12.74	\$16.55	\$16.18	\$14.92
Computer Equipment Operators	\$18.88	\$16.20	\$16.05	\$16.15	\$16.01	\$17.26
Machine Tool Operators	\$13.42	\$15.73	\$17.67	\$16.52	\$15.05	\$14.26
Machinists	\$23.38	\$19.88	\$18.70	\$20.70	\$19.60	\$19.13
Tool & Die Makers	\$25.93	\$22.03	\$22.26	\$23.39	\$24.59	\$23.42
Welding & Brazing Workers	\$17.94	\$17.84	\$16.72	\$19.79	\$16.62	\$17.96
Inspectors, Testers & Sorters	\$15.87	\$16.87	\$15.69	\$17.31	\$18.12	\$17.09
Laborer and Production Helpers	\$12.11	\$14.86	\$13.12	\$15.53	\$12.20	\$11.66
Transportation and Material Moving						
Truck Drivers/Heavy	\$15.30	\$20.73	\$16.08	\$22.81	\$18.35	\$18.97
Truck Drivers/Light Delivery	\$11.70	\$15.41	\$12.85	\$16.20	\$15.63	\$15.45
Fork Lift and Equipment Operators	\$14.79	\$15.79	\$15.76	\$16.09	\$14.60	\$15.15
Warehouse Laborers & Material Movers	\$13.60	\$14.65	\$13.14	\$14.81	\$12.30	\$12.36
Industrial Machinery Mechanics	\$20.42	\$20.84	\$18.71	\$21.68	\$22.21	\$22.65
Overall Averages (For Manufacturing Production Occupations)	\$16.84	\$17.37	\$16.49	\$18.71	\$17.21	\$17.23

*See Appendix B - Glossary Of Terms B-1 for a full description

**Survey project results represent different time from 2009 through 2012, and manufacturers only when comparing to BLS

***Bureau of Labor Statistics (BLS) 5/2011 Data researched December 2012 (Right 2 columns)

VI. CONCLUSION

While many factors impact local manufacturing competitiveness, the focus of this assessment has been on labor quality and skills and how employer practices and compensation play a role. By reviewing the results of this study, local manufacturers can assess comparative advantage of their individual operations to both those from a two-state area labor market and overall Franklin County results. Hopefully, each manufacturing operation will be able to review the results and benefit from the individual perspective and whether it is a large or a small employer and how employer practices and compensation programs are similar or different etc. Concerns about labor competitiveness are not just local or regional issues, but are among the factors addressed each year during the Annual Corporate Survey by Area Development Site and Facility Planning magazine.

The recent national surveys show labor costs rank high among location factors with an over 90 percent importance rating and availability of skilled labor also ranking high. While labor factors change from year to year in ranking, they are extremely important for a productive and competitive business operating in the global economy. A recent study by Deloitte LLP and The Manufacturing Institute "cited that 67 percent of manufacturers have a moderate to severe shortage of available, qualified workers. The problem in part is new technology and process automation requiring new skills. One suggestion would be greater collaboration and coordination with education and the local Workforce Investment Board (WIB).

On the brighter side, many economists, analysts and consultants as well as reports on recent economic activity show that manufacturing activity is maintaining a slow and steady growth. Some even comment on the growing energy reserves and the shrinking gap in U.S. labor costs relative to China as strategic advantages.

Appendices

APPENDIX A - METHODOLOGY

Indicators of comparative advantage may well be in the eyes of the reviewer. However, having the opportunity to assess local employers' ratings of their workers in contrast to the body of hundreds or thousands of employer ratings over a larger geographic area and within a recent time period provides another indicator of employer perceptions of a local workforce by the manufacturing business community.

Results of the Assessment are expressed in a manner considered to be of greatest value to the interested stakeholders. Because larger employers influence the average more than smaller employers, some results are weighted. The term *percentage of total employment* identifies a weighted percentage. Other amounts are expressed as absolute totals either in terms of total employment or total number of respondents. The term *percentage of total respondents* means the figures are not weighted relative to each company's total employment level.

Respondents were asked to estimate or approximate the answer for the following items: Commuting Distance, Absenteeism, Turnover, Age of Employee, and Employer Contribution Toward Benefits. It is important to recognize that these numbers are estimates and should be viewed accordingly.

The purpose of these surveys and ratings is not only to determine how local manufacturers rate their workers but also to provide a means for comparing local ratings to those of all locations surveyed during the past 36 months. Such comparisons will enable you to assess your employers' ratings of their workers in contrast to the body of hundreds of employer ratings recorded in that period.

It is important to understand that this assessment reflects only those employers who have identified themselves as manufacturers and does not reflect the ratings of those employers in your local areas who are not manufacturers. The Growth Services Group, with over 16 years of workforce and employer research experience, has found that not all employers view workforce issues in the same way. When running comparisons of ratings with government and the service sector the ratings are different and over time the correlations have been relatively consistent. Manufacturers are much more sensitive to workforce quality and believe it is because of the global competition of markets and pricing. It is, therefore, the opinion of GSG not to make local comparisons to all locations based on overall ratings of all employers. Relevant comparisons are best when made within industry peer groups.

The Quality of Labor survey reflects, **targeted employer selection**, who are invited to participate in the survey by local economic development organizations. Since it is not a **random employer selection**, and further many communities opting not to include government and some only selected service industries, comparing overall rating results would not provide reliable sample information. Manufacturers, on the other hand, have been consistently targeted for taking the Quality of Labor survey and are represented in all the project areas. The definition for indices for this report is reflected in more detail in Appendix B of this document.

The nine categories or indexed areas available for the Quality of Labor program are: *Quality Index, Skill Index, Education Achievement Index, Location Stability Index, Commuting Distance Index, Applications to Hiring Index, Formal Training Index, Employee Benefits Index, and Dependent Benefits Index*. This provides a crosswalk for comparing one area with another area.

It is recommended that this report be utilized internally as a strategic assessment tool for Manufacturers when assessing strengths and opportunities for adjustment. Only the management team can determine whether changing employment and compensation practices can help or improve the perceptions about the quality or skill characteristics of the local workforce. The methodology of this report is based on comparisons of the survey assessment data from the Franklin County, Missouri Assessment to comparable survey/assessment data from manufacturers in a two-state region. Other communities in the Ameren service area of Missouri and Illinois have participated in similar/standardized surveys/assessments.

APPENDIX B - GLOSSARY OF TERMS

Defined Benefit Plan: A defined benefit plan refers to a traditional or fixed pension. It is a plan under which an employee receives a set monthly amount upon retirement, guaranteed for their life or the joint lives of the member and their spouse. This benefit may also include a cost of living increase each year during retirement. The monthly benefit amount is based upon the participant's wages and length of service.

Defined Contribution Plan: A defined contribution plan refers to a retirement savings program under which an employer promises certain contributions to a participant's account during employment, but with no guaranteed retirement benefit. The ultimate benefit is based exclusively upon the contributions and investment earnings of the plan. The benefit ceases when the account balance is depleted regardless of the retiree's age or circumstances. Examples include 457, 401(k), and 403(b) plans.

Employer Compensation Costs: Employer costs for employee compensation measures all costs for wages, salaries, and employee benefits for non-farm private and state and local government workers. Costs include legally required benefits, including Social Security, Medicare, unemployment insurance, and workers compensation insurance. Other benefit costs are those based on employer compensation policies or union contracts. Benefits such as life, health, and disability insurance benefits; paid leave benefits (vacation, holidays, sick leave and personal leave); and retirement and savings are all considered part of the compensation costs.

Non-weighted Averages: Non-weighted averages refer to percentage of total survey respondents. This means large employers with hundreds of employees would be weighted the same as small employers with only a few employees.

Projects: "All Projects" is an overall aggregate of all manufacturers in the QOL system. The second grouping is the aggregate of all of the manufacturers in the project or area being assessed. Low is an aggregate of the data by project manufacturers and the aggregate value for the project with the lowest index. High is an aggregate of the data by project manufacturers and the aggregate value for the project with the highest index.

Weighted Averages: Weighted averages refer to percentage of total employment. Weighted average corrects the distortion which would occur in a simple average if one or more companies have many more employees at a given wage than another group of employers at a different wage. If group A has ten employees in a position at an average wage of \$15 per hour and another company has one employee in the same position at \$25 per hour, the simple average wage would be \$20 per hour, but the weighted average wage would be \$15.91 per hour.

INDICIES FOR COMPARISONS

Quality Index: The *Workforce Quality Index* is a relatively simple way to make comparisons for characteristics with a common starting point and weights for each of the quality classifications. The index provides a single number or measure for all twelve characteristics as rated by respondents in the project study. This indexing methodology can also be used to measure how the respondents from the **manufacturing sector** compare with the respondents from the **service/other sector** or the **government/education sector** and with all the respondents from all industries in the project group. The scale for quality ranges from (1) poor, (2) fair, (3) average, (4) good, (5) excellent.

Education Achievement Index: Education achievement is another good indicator of a quality and skilled workforce. Education achievement for manufacturers may not reflect the publicly available census data for the overall population, but it would reflect the education achievement of those targeted for selection in the manufacturing sector and those invited to take the survey. The scale for education achievement ranges from: (0.5) less than high school, (1) a high school graduate, (2) some college, (3) associate degree, (4) college degree, (5) post college/professional. The higher the index of education achievement for the project or county, the higher would be the implied quality and skills of the manufacturing workforce.

Location Stability Index: This index shows the length of time businesses operate at the same location. The length of time businesses and organizations can exist and operate in a community is a testament of a stable operating environment which is friendly to business and people. The scale for business stability ranges from: (1) under 5 years, (2) 5 to 10 years, (3) 11 to 20 years, (4) 21 to 30 years, (5) over 30 years. The higher the index the longer businesses have been at the same location.

Commuting Distance Index: The distance permanent employees are willing to travel one way to work is an indicator of the location with a transportation network allowing people to get to and from work. It is also an indication overall of the employer base and the availability of quality jobs. The ability to draw from a larger labor shed expands the quality and availability of the workforce. The scale for commuting distances ranges from: (2) less than 10 miles, (3) 10 to 30 miles, (4) 31 to 50 miles, (5) 51 + miles. Permanent higher gasoline prices may change commuting patterns in the future.

Qualified Applicants to Hire Index: The difficulty in finding qualified applicants is an indicator or lack of a skilled and available workforce. Qualified applicants would mean a first screen acceptance and ready for further review. The more qualified applicants required for review to fill vacant positions the more difficult it is perceived to find applicants with the right skills fit for the job. Lower skill positions normally require fewer qualified applicants for review. The scale to fill five vacant positions ranges from: (2) less than 16 applicants, (3) 16 to 30 applicants, (4) 31 to 60 applicants, (5) 61 or more.

Formal Training Index: Formal training represents hours of training other than hiring or orientation training for each employee annually. It encompasses skill enhancement training for better job performance and improved productivity. It can be conducted onsite or offsite by internal staff or training consultants, colleges, etc. The scale for formal training ranges from: (1) none, (2) 1 to 9 hours, (3) 10 to 20 hours, (4) 21 to 40 hours, (5) more than 40 hours.

Employee Benefits Index: Employee benefits and employee wages are both part of total employee compensation costs. This index does not cover all benefits nor does it measure benefit costs. Rather, it provides an index on the relationship of employer and employee participation in four specific group benefit costs. The key is not costs but the *relationship* of who pays what percentage of those group premium costs. The four areas are: Life, Health, Dental, and Vision. The scale for employer contributions ranges from (0) or (no plan), (1) has plan but does not contribute financially, (2) contributes 1 to 49% of premium cost, (3) contributes 50 to 74% of premium cost, (4) contributes 75 to 99% of premium cost, (5) contributes 100% of premium cost. A higher index of employer contribution implies only a higher benefit cost as it relates to the four group employee benefit costs. This index does not imply higher overall benefit costs or other benefits as they may relate to vacation pay, sick leave pay, pensions, etc.

Dependent Benefits Index: Employee benefits and employee wages are both part of total employee compensation costs. This index does not cover all benefits nor does it measure benefit costs. Rather, it provides an index on the relationship of employer and employee participation in four specific group benefit costs. The key is not costs but the *relationship* of who pays what percentage of those group premium costs. The four areas are: Life, Health, Dental, and Vision. The scale for employer contributions ranges from (0) or (no plan), (1) has plan but does not contribute financially, (2) contributes 1 to 49% of premium cost, (3) contributes 50 to 74% of premium cost, (4) contributes 75 to 99% of premium cost, (5) contributes 100% of premium cost. A higher index of employer contributions implies only a higher benefit cost as it relates to the four group dependent benefit costs. This index does not imply higher overall benefit costs or other benefits as they may relate to vacation pay, sick leave pay, pensions, etc.

SKILL CHARACTERISTICS DEFINITIONS

Operation Monitoring: Watching machinery to make sure a machine is working properly.

Management of Material Resources: Obtaining and seeing to the appropriate use of equipment, facilities, and materials needed to do certain work.

Active Listening: Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

Service Orientation: Actively looking for ways to help people.

Reading Comprehension: Understanding written sentences and paragraphs in work related documents.

Active Learning: Understanding the implications of new information for both current and future problem-solving and decision-making.

Troubleshooting: Determining causes of operating errors and deciding what to do about it.

Social Perceptiveness: Being aware of others' reactions and understanding why they react as they do.

Judgment and Decision Making: Considering the relative costs and benefits of potential actions to choose the most appropriate one.

Science: Using scientific rules and methods to solve problems.

Mathematics: Using mathematical logic to solve problems.

System Evaluation: Identifying measures or indicators of system performance and the actions needed to improve or correct performance, relative to the goals of the system.

APPENDIX C - JOB CLASSIFICATIONS

Salary Titles	Job Classification	SOC
General & Operations Managers	General & Operations Managers	11-1021
Marketing & Sales Managers	Marketing & Sales Managers	11-2021
H.R. Managers	Human Resources Managers	11-3049
Buyers & Purchasing Agents	Buyers & Purchasing Agents	13-1023
Accountants & Auditors	Accountants & Auditors	13-2011
Computer Programmers	Computer Programmers	15-1021
Financial/Controller Managers	Financial Managers	15-1041
Network Systems Administrators	Network & Computer Systems Administrators	15-1071
Electrical/Electronic Engineers	Electrical & Electronic Engineers	17-2070
Industrial Engineers	Industrial Engineers	17-2112
Mechanical Engineers	Mechanical Engineers	17-2141
Engineering Technicians	Engineering Technicians, except Drafters	17-3029
Wage Titles	Job Classification	SOC
Industrial Machinery Mechanics	Industrial Machinery Mechanics	49-9041
Line Supervisor/Foreman	First-Line Supervisor of Production Workers	51-1011
Electronics Assemblers	Electrical, Electronics & Equipment Assemblers	51-2022
Metal Fabricators & Fitters	Structural Metal Fabricators & Fitters	51-2041
Team Assemblers	Team Assemblers	51-2092
Computerized Equipment Operators	Computer Control Programmers & Operators	51-4010
Machine Tool Operators	Machine Tool Cutting Setters, Operators	51-4031
Machinists	Machinists	51-4041
Tool & Die Makers	Tool and Die Makers	51-4111
Welding, Brazing Workers	Welding, Soldering & Brazing Workers	51-4121
Inspectors, Testers & Sorters	Inspectors, Testers, Sorters, & Weighers	51-9061
Truck Drivers/Heavy	Truck Drivers, Heavy & Tractor-Trailer	53-3032
Truck Drivers/Light Delivery	Truck Drivers, Light or Delivery Service	53-3033
Warehouse Laborers & Material Movers	Laborers & Material Movers, Hand	53-7062
Production Assembly	Production Assemblers and Fabricators	51-2099
Laborer and Production Helpers	Helps Production Workers	51-9198
Forklift and Equipment operators	Operates Motorized Equipment	53-7051