

## Workforce Supply

- **Workforce Development Region 1 has a 25,405-strong available labor pool that includes 20,352 underemployed workers who are looking for better jobs, as well as 5,053 unemployed residents.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 47 percent are prepared for 20 or more minutes longer and 38 percent will go 20 or more extra miles.

Labor Force	106,307
Employed	101,254
Underemployment rate	20.1%
Number of underemployed workers	20,352
Unemployed	5,053
<b>Available labor pool</b>	<b>25,405</b>

Note: Based on May 2008 labor force data.

Source: Center for Business and Economic Research, The University of Alabama and Alabama Department of Industrial Relations.

- **Congestion is rising; more people are traveling to work and both commute time and distance are up in 2008 from 2006.**

Continuous maintenance and development of the region's transportation infrastructure and systems is essential because impeding the mobility of workers and the flow of goods can slow economic development.

- **Region 1 has lower educational attainment and population growth than the state.**

Of the region's age 25 and over population, 70 percent were high school graduates and almost 14 percent held bachelor's or higher degrees in 2000. For the state as a whole, 75 percent were high school graduates and 19 percent held bachelor's or higher degrees. The region's population growth from 1990 to 2000 amounted to 9.1 percent, compared to 10.1 percent for the state. The 2000 to 2010 projected population growth is 7.1 percent for Region 1 and 8.8 percent for Alabama. Growth of the prime working age group (20-64) and youth (0-19) will lag that of the total population through 2025, as the 65 and over population increases rapidly.

## Workforce Demand

- **Employment is currently growing faster than the labor force and population.**
- **By sector and in decreasing order, the five largest employers in the region are manufacturing, retail trade, health care and social assistance, educational services, and accommodation and food services.**

These five sectors provided 54,768 jobs, about 66 percent of the regional total, in the second quarter of 2007. Three of these leading employers had wages that were above the region's average monthly wage of \$2,545.

- **On average about 4,250 jobs were created per quarter from second quarter 2001 to second quarter 2007; quarterly net job flows averaged about 210.**

Job creation is the number of new jobs that are created either by new businesses or through expansion of existing firms. Net job flows reflect the difference between current and previous employment at all businesses.

- **The 50 highest earning occupations are in health, legal, management, engineering, computer, postsecondary education, and science fields and have a minimum salary of \$49,302. Eight of these do not require bachelor's or higher degrees. Four of the top 10 are health occupations.**
- **The top five high-demand occupations are:** Retail Salespersons; Helpers--Production Workers; Welders, Cutters, Solderers, and Brazers; Customer Service Representatives; and Elementary School Teachers, Except Special Education.
- **The top five fast-growing occupations are:** Rail Car Repairers; Electrical and Electronic Engineering Technicians; Welders, Cutters, Solderers, and Brazers; Painters, Transportation Equipment; and Crushing, Grinding, and Polishing Machine Setters, Operators, and Tenders.
- **Four occupations are high-earning, fast-growing, and in high-demand:** Sales Managers; Pharmacists; Electrical and Electronic Engineering Technicians; and Vocational Education Teachers, Postsecondary.

- **Eight jobs are high-earning and in high-demand:** Registered Nurses; Pharmacists; Industrial Production Managers; Insurance Sales Agents; Electrical and Electronic Engineering Technicians; Vocational Education Teachers, Postsecondary; Sales Managers; and Financial Managers.
- **The region has 27 jobs that are both fast-growing and in high-demand:** Welders, Cutters, Solderers, and Brazers  
Customer Service Representatives  
Pharmacy Technicians  
Clergy  
Home Health Aides  
Rail Car Repairers  
Painters, Transportation Equipment  
Medical Assistants  
Welding, Soldering, and Brazing Machine Setters, Operators and Tenders  
Dental Assistants  
Special Education Teachers, Preschool, Kindergarten, and Elementary School  
Helpers--Installation, Maintenance and Repair Workers  
Anesthesiologists  
Directors, Religious Activities and Education  
Pharmacists  
Dental Hygienists  
Correctional Officers and Jailers  
Social and Human Service Assistants  
Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic  
Bus and Truck Mechanics and Diesel Engine Specialists  
Electrical and Electronic Engineering Technicians  
Crushing, Grinding, and Polishing Machine Setters, Operators, and Tenders  
Medical and Public Health Social Workers  
Emergency Medical Technicians and Paramedics  
Rehabilitation Counselors  
Vocational Education Teachers, Postsecondary  
Sales Managers

## Implications for Workforce Development

- Worker shortfalls of 5,000 and 15,800 are estimated by 2016 and 2025, respectively, due to strong economic output growth combined with low labor force and population growth rates, low labor force participation, and low educational attainment in the region.
- Strategies to address these shortfalls should aim at increasing labor force participation, encouraging immigration, and raising worker productivity.

Such strategies might include:

1. Improving education and education funding
2. Continuing and enhancing programs to assess, retrain, and place dislocated workers
3. Focusing on hard-to-serve populations (e.g. out-of-school youth)
4. Using economic opportunities to attract new residents
5. Facilitating in-commuting
6. Encouraging older worker participation

- Investment in education/training and skills development is crucial.

Improving education is important because: (a) a highly educated and productive workforce is a critical economic development asset, (b) productivity rises with additional education, (c) more educated people are more likely to work, and (d) education yields high private and social rates of return on investment.

Workforce development must view all of education and other programs (e.g. adult education, career technical training, worker retraining, career readiness, etc.) as one system.

Financial support for workforce development may require tax reform at state and local levels and should provide for flexibility as workforce needs change over time and demand different priorities.

Publicizing both private and public returns to education can encourage individuals to raise their own educational attainment levels and also promote public and legislative support for education.

Higher incomes that come with improved educational attainment and work skills would help increase personal income for the region as well as raise additional local (county and city) tax revenues. This is especially important for a region that has low population and labor force growth rates.

Of the region's 722 occupations and occupational categories, 74 are expected to decline over the 2006 to 2016 period. Nineteen occupations are expected to see a sharp decline of at least 8 percent, with each losing a minimum of 20 jobs. Education and training for declining occupations should slow accordingly.

- Skill and education requirements keep rising. In the future, more jobs will require postsecondary education and training at a minimum.

The importance of basic skills generally and for high-demand, high-growth, and high-earning jobs indicates a strong need for training in these skills.

Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skills.

Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.

- The pace and scale of training needs to increase for basic and social skills in the region.
- Economic development should target high-earning industries and workforce development should ensure availability of workers for such industries.

Economic development should aim to diversify and strengthen the Region 1 economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary although three of the largest employment sectors pay higher wages than the regional average.

- Workforce development and economic development can together build a strong and well-diversified Region 1 economy. Indeed, one cannot achieve success without the other.

## State of the Workforce Report III: Region 1 2008 Summary



*Funding for this project was provided by:*  
Alabama Department of Economic and  
Community Affairs  
Alabama Department of Industrial Relations  
Alabama Department of Postsecondary  
Education  
Alabama Industrial Development Training  
Alabama Power Company  
Governor's Office of Workforce Development  
The University of Alabama

*For more information contact:*  
Governor's Office of Workforce Development  
Phone: (334) 353-1686  
<http://www.owd.alabama.gov>