

Workforce Supply

- **Workforce Development Region 3 has a 34,212-strong available labor pool that includes 28,739 underemployed workers who are looking for better jobs, as well as 5,473 unemployed residents.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 51 percent are prepared for 20 or more minutes longer and 39 percent will go 20 or more extra miles.

Labor force	130,423
Employed	124,950
Underemployment rate	23.0%
Number of underemployed workers	28,739
Unemployed	5,473
Available labor pool	34,212

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.

- **More people are traveling to work and both commute time and distance are up in 2008. Congestion is rising.**

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 3 has lower educational attainment and population growth than the state.**

Of the region's age 25 and over population, 73.6 percent were high school graduates and 17.8 percent held bachelor's or higher degrees in 2000. For the state as a whole, 75.3 percent were high school graduates and 19.0 percent held bachelor's or higher degrees. The region's population growth from 1990 to 2000 amounted to 8.5 percent, compared to 10.1 percent for the state. The 2000 to 2010 projected population growth is 6.3 percent for Region 3 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; health care and social assistance; educational services; retail trade; and accommodation and food services.**

These five sectors provided 67,739 jobs, about 63 percent of the regional total, in the second quarter of 2007. Two of these leading employers had wages that were above the region's average monthly wage of \$3,103.

- **On average 5,385 jobs were created per quarter from second quarter 2001 to second quarter 2007; quarterly net job flows averaged 540.**

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 management, engineering, health, legal, computer, postsecondary education, and science fields and have a minimum salary of \$59,347. Seven of these do not require a bachelor's or higher degree. Three of the top 10 are management occupations.**
- **The top five high-demand occupations are:** Team Assemblers; Retail Salespersons; Truck Drivers, Heavy and Tractor-Trailer; Registered Nurses; and Elementary School Teachers, Except Special Education.
- **The top five fast-growing occupations are:** Network Systems and Data Communications Analysts; Industrial Engineers; Home Health Aides; Bill and Account Collectors; and Electrical Power-Line Installers and Repairers.
- **Three occupations are high-earning, fast-growing, and in high-demand:** Physical Therapists
Electrical Engineers
Industrial Engineers

- **Eight jobs are high-earning and in high-demand:** Industrial Engineers; Pharmacists; Mechanical Engineers; Education Administrators, Postsecondary; Electrical Engineers; Loan Officers; Medical and Health Services Managers; and Physical Therapists.
- **The region has 29 jobs that are both fast-growing and in high-demand:** Team Assemblers
Truck Drivers, Heavy and Tractor-Trailer
Registered Nurses
Home Health Aides
Pharmacy Technicians
Bill and Account Collectors
Electrical Power-Line Installers and Repairers
Industrial Engineers
Clergy
Social and Human Service Assistants
Fitness and Aerobics Instructors
Medical Assistants
Electrical Engineers
Special Education Teachers, Preschool, Kindergarten, and Elementary School
Dental Hygienists
Medical and Public Health Social Workers
Mobile Heavy Equipment Mechanics, Except Engines
Medical Records and Health Information Technicians
Nonfarm Animal Caretakers
Amusement and Recreation Attendants
Physical Therapists
Network Systems and Data Communications Analysts
Cost Estimators
Mental Health and Substance Abuse Social Workers
Advertising Sales Agents
English Language and Literature Teachers, Postsecondary
Education Teachers, Postsecondary
Business Teachers, Postsecondary
Engineering Teachers, Postsecondary

Implications for Workforce Development

- Worker shortfalls of about 10,600 and 27,000 are estimated by 2016 and 2025, respectively, due to strong economic output growth combined with relatively 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 important, especially for a region that has lower population and labor force growth rates than the state.

Of the region's 777 occupations and occupational categories, 52 are expected to decline over the 2006 to 2016 period. Twenty-seven occupations are expected to see a sharp decline of at least 10 percent, with each losing a minimum of 10 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.

The pace of training needs to increase for technical and resource management skills while the scale of training is raised for basic and social 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.

- 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 3 economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary despite having two large employment sectors paying higher than average wages.

- Workforce development and economic development can together build a strong and well-diversified Region 3 economy. Indeed, one cannot achieve success without the other.

State of the Workforce Report III: Region 3 2008 Summary



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