

## Workforce Supply

- **Workforce Development Region 4 has a 123,086-strong available labor pool that includes 103,518 underemployed workers who are looking for better jobs, as well as 19,568 unemployed residents.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 33 percent are prepared for 20 or more minutes longer and 23 percent will go 20 or more extra miles.

|                                 |                |
|---------------------------------|----------------|
| Labor force                     | 529,507        |
| Employed                        | 509,939        |
| Underemployment rate            | 20.3%          |
| Number of underemployed workers | 103,518        |
| Unemployed                      | 19,568         |
| <b>Available labor pool</b>     | <b>123,086</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.

- **More people are traveling to work, but both commute time and distance are down in 2008. Congestion is an issue in several areas.**

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 4 has higher educational attainment and its population should grow faster than the state's in this decade.**

Of the region's age 25 and over population, 79 percent were high school graduates and 23 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 9.7 percent, compared to 10.1 percent for the state. The 2000 to 2010 projected population growth is 9.5 percent for Region 4 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 health care and social assistance; retail trade; manufacturing; accommodation and food services; and educational services.**

These five sectors provided 259,088 jobs, about 51 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 \$3,123.

- **On average 24,815 jobs were created per quarter from second quarter 2001 to second quarter 2007; quarterly net job flows averaged 2,147.**

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, management, postsecondary education, engineering, science, computer, and legal fields and have a minimum salary of \$71,939. Six of these do not require a bachelor's or higher degree. Seven of the top 10 are health occupations.**
- **The top five high-demand occupations are:** Registered Nurses; Accountants and Auditors; Elementary School Teachers, Except Special Education; Management Analysts; and Computer Systems Analysts.
- **The top five fast-growing occupations are:** Medical Scientists, Except Epidemiologists; Biological Technicians; Occupational Therapist Assistants; Network Systems and Data Communications Analysts; and Personal Financial Advisors.
- **Six occupations are high-earning, fast-growing, and in high-demand:** Personal Financial Advisors; Health Specialties Teachers, Postsecondary; Management Analysts; Biological Science Teachers, Postsecondary;

Mathematical Science Teachers, Postsecondary; and Physical Therapists.

- **Eight jobs are high-earning and in high-demand:** Management Analysts  
Pharmacists  
Personal Financial Advisors  
Computer and Information Systems Managers  
Physical Therapists  
Biological Science Teachers, Postsecondary  
Health Specialties Teachers, Postsecondary  
Mathematical Science Teachers, Postsecondary
- **The region has 29 jobs that are both fast-growing and in high-demand:** Registered Nurses  
Management Analysts  
Home Health Aides  
Pharmacy Technicians  
Clergy  
Network Systems and Data Communications Analysts  
Medical Assistants  
Network and Computer Systems Administrators  
Social and Human Service Assistants  
Personal Financial Advisors  
Computer Software Engineers, Systems Software  
Computer Software Engineers, Applications  
Dental Hygienists  
Fitness and Aerobics Instructors  
Dental Assistants  
Physical Therapists  
Financial Analysts  
Vocational Education Teachers, Postsecondary  
Biological Technicians  
Directors, Religious Activities and Education  
Biological Science Teachers, Postsecondary  
Physical Therapist Assistants  
Health Specialties Teachers, Postsecondary  
Industrial Engineers  
Occupational Therapists  
Database Administrators  
Veterinarians  
Physician Assistants  
Mathematical Science Teachers, Postsecondary

## Implications for Workforce Development

- Worker shortfalls of 38,660 and 107,000 are estimated by 2016 and 2025, respectively, due to stronger economic output growth than labor force and population gains and relatively low labor force participation, despite higher 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, even for a region that has slightly higher population and labor force growth rates than the state.

Of the region's 863 occupations and occupational categories, 97 are expected to decline over the 2006 to 2016 period. Twenty-three occupations are expected to see a sharp decline of at least 6 percent, with each losing a minimum of 40 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, systems, and complex problem solving 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.

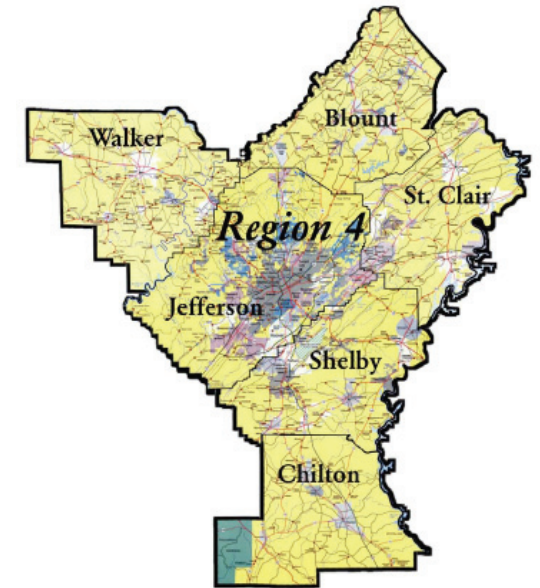
Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.

- 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 4 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 4 economy. Indeed, one cannot achieve success without the other.

# State of the Workforce Report III: Region 4 2008 Summary



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