

Workforce Supply

- Workforce Development Region 5 has a 55,483-strong available labor pool that includes 47,423 underemployed workers who are looking for better jobs, as well as 8,060 unemployed residents.

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 43 percent are prepared for 20 or more minutes longer and 29 percent will go 20 or more extra miles.

Labor Force	178,034
Employed	169,974
Underemployment rate	27.9%
Number of underemployed workers	47,423
Unemployed	8,060
Available labor pool	55,483

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

Of the region's age 25 and over population, 71 percent were high school graduates and 12.5 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 4.5 percent, compared to 10.1 percent for the state. The 2000 to 2010 projected population growth is 4.6 percent for Region 5 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 region's five largest employers are manufacturing, health care and social assistance, retail trade, accommodation and food services, and educational services.

These five sectors provided 75,529 jobs, about 67 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 \$2,807.

- **On average about 6,675 jobs were created per quarter from second quarter 2001 to second quarter 2007; quarterly net job flows averaged about 768.**

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, engineering, computer, postsecondary education, science, and legal fields and have a minimum salary of \$59,684. Three of these do not require bachelor's or higher degrees. Six of the top 10 are health occupations.**
- **The top five high-demand occupations are:** Team Assemblers; Registered Nurses; Elementary School Teachers, Except Special Education; Middle School Teachers, Except Special and Vocational Education; and Home Health Aides.
- **The top five fast-growing occupations are:** Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders; Industrial Engineers; Physician Assistants; Medical Assistants; and Network Systems and Data Communications Analysts.
- **Three occupations are high-earning, fast-growing, and in high-demand:** Pharmacists; Physical Therapists; Industrial Engineers

- **Four jobs are high-earning and in high-demand:**

Management Analysts
Pharmacists
Physical Therapists
Industrial Engineers

- **The region has 30 jobs that are both fast-growing and in high-demand:**

Team Assemblers
Home Health Aides
Medical Assistants
Pharmacy Technicians
Clergy
Computer-Controlled Machine Tool Operators, Metal and Plastic
Mechanical Engineers
Forging Machine Setters, Operators, and Tenders, Metal and Plastic
Industrial Engineers
Mental Health Counselors
Emergency Medical Technicians and Paramedics
Pharmacists
Physical Therapists
Chemical Technicians
Special Education Teachers, Preschool, Kindergarten, and Elementary School
Dental Hygienists
Kindergarten Teachers, Except Special Education
Medical and Clinical Laboratory Technicians
Directors, Religious Activities and Education
Occupational Therapists
Physician Assistants
Nursing Instructors and Teachers, Postsecondary
Network Systems and Data Communications Analysts
Advertising Sales Agents
Tool and Die Makers
Physical Therapist Assistants
Millwrights
Employment, Recruitment, and Placement Specialists
Dental Assistants
Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders

Implications for Workforce Development

- Worker shortfalls of 12,500 and 31,000 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 in-migration, 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 771 occupations and occupational categories, 89 are expected to decline over the 2006 to 2016 period. Twenty-six occupations are expected to see a sharp decline of at least 7 percent, with each losing a minimum of 30 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 and scale of training needs to increase for basic and social skills. The pace of training must also rise for complex problem solving skills.

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

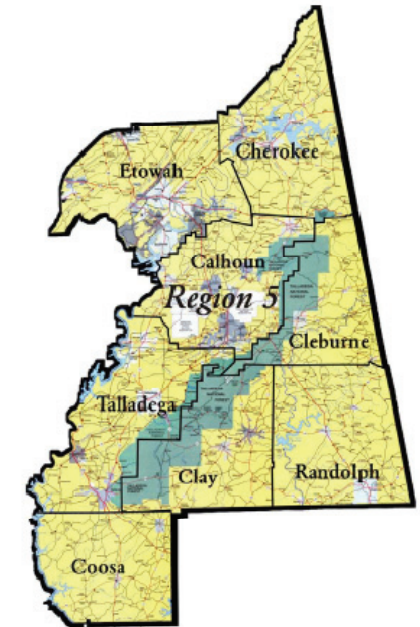
Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.

- 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 5 economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary even though two of the largest employment sectors pay higher than average wages.

- Workforce development and economic development can together build a strong and well-diversified Region 5 economy. Indeed, one cannot achieve success without the other.

State of the Workforce Report III: Region 5 2008 Summary



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