

Workforce Supply

- **Workforce Development Region 6 has an 11,736-strong available labor pool that includes 8,935 underemployed workers who are looking for better jobs, as well as 2,801 unemployed residents.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 60 percent are prepared for 20 or more minutes longer and 47 percent will go 20 or more extra miles.

| | |
|---------------------------------|---------------|
| Labor Force | 35,057 |
| Employed | 32,256 |
| Underemployment rate | 27.7% |
| Number of underemployed workers | 8,935 |
| Unemployed | 2,801 |
| Available labor pool | 11,736 |

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

Of the region's age 25 and over population, 68 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 declined 4.4 percent from 1990 to 2000, compared to 10.1 percent growth for the state. The 2000 to 2010 projected population change is -3.4 percent for Region 6 and 8.8 percent for Alabama. Decline of the prime working age group (20-64) and youth (0-19) will be deeper than 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, educational services, and construction.**

These five sectors provided 22,745 jobs, about 69 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 \$2,702.

- **On average about 1,814 jobs were created per quarter from second quarter 2001 to second quarter 2007; quarterly net job flows averaged about 91.**

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 mainly in management, health, engineering, and education fields and have a minimum salary of \$45,027. Nineteen of these do not require bachelor's or higher degrees. Six of the top 10 are management occupations.**
- **The top five high-demand occupations are:**
Retail Salespersons
Janitors and Cleaners, Except Maids and Housekeeping
Licensed Practical and Licensed Vocational Nurses
Home Health Aides
Nursing Aides, Orderlies, and Attendants
- **The top five fast-growing occupations are:**
Home Health Aides
Licensed Practical and Licensed Vocational Nurses
Pharmacy Technicians
Farm, Ranch, and Other Agricultural Managers
Nursing Aides, Orderlies, and Attendants

- **Only one occupation is high-earning, fast-growing, and in high-demand:**
Registered Nurses
- **Four jobs are high-earning and in high-demand:**
Registered Nurses
First-Line Supervisors/Managers of Mechanics, Installers, and Repairers
Electrical Power-Line Installers and Repairers
Industrial Machinery Mechanics
- **The region has 17 jobs that are both fast-growing and in high-demand:**
Home Health Aides
Licensed Practical and Licensed Vocational Nurses
Pharmacy Technicians
Farm, Ranch, and Other Agricultural Managers
Nursing Aides, Orderlies, and Attendants
Food Preparation Workers
Child, Family, and School Social Workers
Janitors and Cleaners, Except Maids and Housekeeping
Child Care Workers
Correctional Officers and Jailers
Combined Food Preparation and Serving Workers
Registered Nurses
Tellers
Customer Service Representatives
Cleaners of Vehicles and Equipment
Welders, Cutters, Solderers, and Brazers
Retail Salespersons

Implications for Workforce Development

- Worker shortfalls of about 2,400 and 7,100 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 with declining population and labor force.

Of the region's 591 occupations and occupational categories, 114 are expected to decline over the 2006 to 2016 period. Twenty-five occupations are expected to see a sharp decline of at least 6 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.

The pace of training needs to increase for technical, system, and complex problem solving skills. The scale of training must be raised for social and basic 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 6 economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary because the average regional wage is low.

- Workforce development and economic development can together build a strong and well-diversified Region 6 economy. Indeed, one cannot achieve success without the other.

State of the Workforce Report III: Region 6 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>