

Workforce Supply

- **Workforce Development Region 8 has a 46,189-strong available labor pool that includes 38,448 underemployed workers who are looking for better jobs, as well as 7,741 unemployed residents.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 42 percent are prepared for 20 or more minutes longer and 29 percent will go 20 or more extra miles.

Labor force	135,052
Employed	127,311
Underemployment rate	30.2%
Number of underemployed workers	38,448
Unemployed	7,741
Available labor pool	46,189

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 8 has lower educational attainment and slightly faster population growth than the state.**

Of the region's age 25 and over population, 72.3 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 13.5 percent, compared to 10.1 percent for the state. The 2000 to 2010 projected population growth is 10.7 percent for Region 8 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; educational services; health care and social assistance; retail trade; and accommodation and food services.**

These five sectors provided 72,363 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 \$2,573.

- **On average 4,807 jobs were created per quarter from second quarter 2001 to second quarter 2007; quarterly net job flows averaged 640.**

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 earn a minimum salary of \$63,005 and are in management, health, postsecondary education, engineering, computer, and legal fields. Six of these do not require a bachelor's or higher degree. The top 10 are shared equally by health and management occupations.**
- **The top five high-demand occupations are:** Team Assemblers; Child Care Workers; Registered Nurses; Meat, Poultry, and Fish Cutters and Trimmers; and Home Health Aides.
- **The top five fast-growing occupations are:** Sales Engineers; Chemical Engineers; Grinding, Lapping, Polishing, Tool Setters, Operators, Metal and Plastic; Electrical and Electronic Equipment Assemblers; and Slaughterers and Meat Packers.
- **Four occupations are high-earning, fast-growing, and in high-demand:** Chemical Engineers
Medical and Health Services Managers
Computer Software Engineers, Systems Software
Industrial Engineers

- **Eleven jobs are high-earning and in high-demand:** Industrial Engineers; Pharmacists; Chemical Engineers; Education Administrators, Postsecondary; Computer Software Engineers, Systems Software; Sales Managers; Medical and Health Services Managers; Mathematical Science Teachers, Postsecondary; Family and General Practitioners; Industrial Production Managers; and Health Specialties Teachers, Postsecondary.
- **The region has 30 jobs that are both fast-growing and in high-demand:** Team Assemblers
Child Care Workers
Meat, Poultry, and Fish Cutters and Trimmers
Home Health Aides
Slaughterers and Meat Packers
Molding, Coremaking, and Casting Machine Setters, Operators, Metal and Plastic
Machinists
Chemical Engineers
Industrial Engineers
Clergy
Structural Metal Fabricators and Fitters
Coating, Painting, and Spraying Machine Setters, Operators, and Tenders
Welders, Cutters, Solderers, and Brazers
Cabinetmakers and Bench Carpenters
Pharmacy Technicians
Assemblers and Fabricators, All Other
Grinding, Lapping, Polishing, Tool Setters, Operators, Metal and Plastic
Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic
Electrical and Electronic Equipment Assemblers
Medical and Health Services Managers
Computer Software Engineers, Systems Software
Art, Drama, and Music Teachers, Postsecondary
Dental Hygienists
Medical and Public Health Social Workers
Medical Records and Health Information Technicians
Dental Assistants
Extruding and Drawing Machine Setters, Operators, and Tenders, Metal and Plastic
Medical Assistants
Sales Engineers
Public Relations Specialists

Implications for Workforce Development

- Worker shortfalls of about 2,100 and 9,200 are estimated by 2016 and 2025, respectively, due to strong economic output growth combined with moderate labor force and population growth rates, low labor force participation, and low educational attainment in much of 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 and reducing out-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 population and labor force growth rates that are below expected demand.

Of the region's 714 occupations and occupational categories, 41 are expected to decline over the 2006 to 2016 period. Eighteen occupations are expected to see a sharp decline of at least 4 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 must increase for technical, systems, and two basic (science and mathematics) 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 8 economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary despite having three large employment sectors paying higher than average wages.

- Workforce development and economic development can together build a strong and well-diversified Region 8 economy. Indeed, one cannot achieve success without the other.

State of the Workforce Report III: Region 8 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>