

## Workforce Supply

- **Workforce Development Region 9 has a 91,411-strong available labor pool that includes 77,338 underemployed workers who are looking for better jobs, as well as 14,073 unemployed residents.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 50 percent are prepared for 20 or more minutes longer and 32 percent will go 20 or more extra miles.

Labor force	322,191
Employed	308,118
Underemployment rate	25.1%
Number of underemployed workers	77,338
Unemployed	14,073
<b>Available labor pool</b>	<b>91,411</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 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 9 has comparable educational attainment and slightly faster population growth than the state.**

Of the region's age 25 and over population, 76.3 percent were high school graduates and 18.0 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 11.1 percent, compared to 10.1 percent for the state. The 2000 to 2010 projected population growth is 9.6 percent for Region 9 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.**
- **In decreasing order, the five largest employment sectors in the region are retail trade; manufacturing; educational services; health care and social assistance; and accommodation and food services.**

These five sectors provided 148,136 jobs, about 54 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 \$2,902.

- **On average 15,716 jobs were created per quarter from second quarter 2001 to second quarter 2007; quarterly net job flows averaged 1,701.**

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 the fields of management, health, engineering, legal, and postsecondary education and have a minimum salary of \$67,937. Four 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; Construction Laborers; First-Line Supervisors/Managers of Construction Trades and Extraction Workers; Cooks, Restaurant; and Home Health Aides.
- **The top five fast-growing occupations are:** Refractory Material Repairers, Except Brickmasons; Materials Engineers; Pourers and Casters, Metal; Heat Treating Equipment Setters, Operators, and Tenders, Metal and Plastic; and Metal-Refining Furnace Operators and Tenders.
- **Only one occupations is high-earning, fast-growing, and in high-demand:** Industrial Engineers

- **Three jobs are high-earning and in high-demand:** Industrial Production Managers  
Industrial Engineers  
Engineering Managers
- **The region has 27 jobs that are both fast-growing and in high-demand:** Home Health Aides  
Computer Systems Analysts  
Medical Assistants  
Crane and Tower Operators  
Aircraft Mechanics and Service Technicians  
Structural Metal Fabricators and Fitters  
Aircraft Structure, Surfaces, Rigging, and Systems Assemblers  
Heat Treating Equipment Setters, Operators, and Tenders, Metal and Plastic  
Network and Computer Systems Administrators  
Dental Hygienists  
Service Station Attendants  
Veterinary Technologists and Technicians  
Industrial Engineers  
Physical Therapists  
Cost Estimators  
Chemical Technicians  
Metal-Refining Furnace Operators and Tenders  
Veterinarians  
Business Teachers, Postsecondary  
Nursing Instructors and Teachers, Postsecondary  
Network Systems and Data Communications Analysts  
Vocational Education Teachers, Postsecondary  
Rolling Machine Setters, Operators, and Tenders, Metal and Plastic  
Materials Engineers  
Physical Therapist Assistants  
Mathematical Science Teachers, Postsecondary  
Computer Software Engineers, Applications

## Implications for Workforce Development

- Worker shortfalls of about 18,700 and 53,100 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 average 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, even for a region that has moderate population and labor force growth rates.

Of the region's 834 occupations and occupational categories, 80 are expected to decline over the 2006 to 2016 period. Twenty occupations are expected to see a sharp decline of at least 10 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 of training needs to increase for technical 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 9 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 9 economy. Indeed, one cannot achieve success without the other.

# State of the Workforce Report III: Region 9 2008 Summary



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