The Geographic Distribution & Characteristics of Older Workers in Alabama

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Local Employment Dynamics

2017 Data

Updated April 1, 2019

HIGHLIGHTS

The statistics about older workers in Alabama in 2017 increased. Changes in the size and composition of age groups may affect government program and policy choices and the options available to businesses. National projections indicate that the population 65 and older will increase from about 1 in 8 people to 1 in 5 people by 2030, so that older workers will likely compose an increasingly larger proportion of each state's workforce.[1] Whether, and in what industries, the large wave of workers born during the Baby Boom of 1946 to 1964 are currently working may influence their labor force behavior beyond traditional retirement ages. That is important information for firms planning for the eventual loss of experienced workers and the payout of pensions. In 2017, the Baby Boom cohort was aged 53 to 71.

This report uses data from the Local Employment Dynamics (LED) program to show the geographic distribution and the economic dynamics among private sector workers 55 and older (also including some statistics on those aged 45 to 54). It includes comparisons among the counties (and county equivalents) and between metropolitan and nonmetropolitan areas of Alabama.[2]

This document has been updated by the Alabama Department of Labor, Labor Market Information Division. The original text as presented with 2004 data by the U.S. Census Bureau[3] has been maintained largely intact with the information refreshed using available 2017 data. For more information, please visit <http://lehd.did.census.gov>.

Industries are classified according to the North American Industry Classification System (NAICS). Because the Quarterly Workforce Indicators (QWI) are updated every 3 months, the numbers in this report may differ from the most recent ones on the current LED Web site, <http://lehd.did.census.gov>.

This report defines "older workers" as those 55 and older. Information is displayed for all workers by age groups to facilitate comparisons among workers and provide information about the potential characteristics of future older workers. The characteristics and geographic distribution throughout Alabama of three groups of older workers are shown: those who may be receiving pension income but who are working (65 and older) and two pre-retirement groups of workers (those aged 45 to 54 and aged 55 to 64), who may start collecting pensions and social security over the next two decades.

With the LED information, state planners can monitor changes in the workforce and emerging trends. Detailed statistics about workers by age in counties and metropolitan areas and nonmetropolitan areas of Alabama are available on the U.S. Census Bureau's Web site, <http://www.census.gov>.

Following are the highlights from the detailed statistics.

CHARACTERISTICS AND EMPLOYMENT DYNAMICS OF OLDER WORKERS by Age Composition of the Workforce

•Of the 67 counties in Alabama, 20.0 percent or more of the total workforce in 65 counties was 55 and older.

•Statewide, 21.6 percent of workers were 55 and older. The five counties with the highest percentage of workers 55 and older were:

County	Percentage of Workforce
Sumter	29.8
Choctaw	29.2
Washington	29.2
Coosa	29.1
Macon	28.7

•Statewide, 5.3 percent of workers were 65 and older. The five counties with the highest percentage of workers 65 and older were:

County	Percentage of Workforce
Macon	9.6
Coosa	8.8
Henry	8.6
Perry	8.5
Pickens	7.5

[1] U.S. Census Bureau, 2004. "U.S. Interim Projections by Age, Sex, Race, and Hispanic Origin," <http://www.census.gov/ipc/www/usinterimproj/natprojtab02a.xls>.

[2] The metropolitan and nonmetropolitan county classifications are based on Census 2000. For definitions of specific metropolitan statistical areas, see <http://www.census.gov/population/www/estimates /metroarea.html>.

[3] Taeuber, Cynthia and Matthew R. Graham, 2009. The Geographic Distribution and Characteristics of Older Workers in Alabama: 2004. LED Older Workers Profile, LED-OW04- AL. U.S. Census Bureau, Washington, DC.

•ALL counties in Alabama experienced an increase from 2006 to 2017 in percentage of workforce that was 55 and older. The largest increase was in Lowndes County with an increase over the period of 11.7% percent.

•Of the total workforce employed in metropolitan statistical areas, 21.4 percent was 55 and older; and in nonmetropolitan area workplaces, the figure was 22.0 percent.

Industry Sectors with the Highest Proportions of Older Workers in 2017

•Statewide, among industry sectors that employed 100 or more workers 55 and older, Mining (NAICS 21) had the highest proportion of workers in this age group. This sector had the highest percentage of workers 55 and older in 7 counties.

•Statewide, industry sectors with more than 20 percent of workers 55 and older that employed at least 100 or more workers from that age group were:

Industry	Percentage of Workforce
11 Agriculture, Forestry, Fishing and Hunting	28.6
61 Educational Services	27.7
22 Utilities	27.4
53 Real Estate and Rental and Leasing	27.0
21 Mining, Quarrying, and Oil and Gas Extraction	26.7
92 Public Administration	26.6
42 Wholesale Trade	26.6
81 Other Services (except Public Administration)	26.1
48-49 Transportation and Warehousing	25.6
54 Professional, Scientific, and Technical Services	24.7
55 Management of Companies and Enterprises	23.0
52 Finance and Insurance	22.5
31-33 Manufacturing	22.2
62 Health Care and Social Assistance	22.0
23 Construction	22.0
51 Information	20.8

•In metropolitan statistical areas of the state, the industry sector that employed the largest percentage of workers 55 and older was Agriculture, Forestry, Fishing and Hunting (NAICS 11), with 27.9 percent; the industry sectors with the highest proportion of workers 65 and older was Agriculture, Forestry, Fishing and Hunting (NAICS 11) with 9.0 percent.

•In nonmetropolitan area work-places in Alabama, the industry sectors that employed the largest percentage of workers 55 and older was Utilities (NAICS 22), with 31.4 percent. Other Services (NAICS 81) also had the highest proportion of workers 65 and older, with 9.8 percent.

Industry Sectors Most Likely to Employ Older Workers in 2017

•Of the workers in the state 55 and older, 14.5 percent were employed in Manufacturing (NAICS 31-33), the highest proportion for that age group of any industry sector in the state. This industry was ranked number one in 47 of 67 counties.

•Of the workers 55 and older in the state's metropolitan statistical areas, 14.5 percent were employed in Healthcare (NAICS 62) the highest proportion for that age group in the metropolitan areas among industrial sectors.

•Of the workers 55 and older in the state's nonmetropolitan area workplaces, 25.2 percent were employed in Manufacturing (NAICS 31-33), by far the highest proportion for that age group in nonmetropolitan areas among industrial sectors.

Quarterly Job Gains and Losses in 2017

•On average, for workers 55 to 64 years old, 9,348 jobs were created quarterly and 12,707 jobs were lost quarterly. For workers 65 and older, the numbers were 4,109 and 6,770, respectively.

•The county with the largest share of job gains for workers 55 to 64 years old was Chilton County, with 19.7 percent. The largest share of job losses for such workers was in Washington County, with 30.8 percent.

•The county with the largest share of job gains for workers 65 and older was Morgan County, with 9.5 percent. The largest share of job losses for such workers was in Coosa County, with 19.9 percent.

•The industry sector with the largest gain in jobs for workers 55 to 64 years old was Retail Trade (NAICS 44-45), with an average of 1,163 jobs gained per quarter at the state level. The most jobs lost by that age group were in Manufacturing (NAICS 31-33), with an average of 1,581 jobs lost per quarter at the state level.

•The industry sector with the largest gain in jobs for workers 65 and older was Retail Trade (NAICS 44-45), with 566 jobs gained per quarter at the state level. The most jobs lost by that age group was in Retail Trade (NAICS 44–45), with 903 jobs lost per quarter at the state level.

Average Earnings of Older Workers in 2017

•Statewide, on average, workers 55 to 64 earned $4,520 a month; workers 65 to 99, on average, earned $3,463.

•Of industry sectors employing at least 100 workers 55 and older, the highest paying was Utilities (NAICS 22). Workers in that sector earned, on average, $7,345 per month. The lowest paying was Accommodation and Food Services (NAICS 72). Workers in this sector earned, on average, $1,971 per month. The following table shows statewide average monthly earnings in 2017 for full-quarter, private-sector wage and salary workers 55 to 64 and 65 to 99 by NAICS sector.

Industry	Earnings ($)	
	55-64	65-99
All NAICS Sectors	4,520	3,463
11 Agriculture, Forestry, Fishing and Hunting	3,833	2,884
21 Mining, Quarrying, and Oil and Gas Extraction	6,536	5,688
22 Utilities	7,607	5,845
23 Construction	4,773	4,247
31-33 Manufacturing	5,355	4,630
42 Wholesale Trade	5,712	4,395
44-45 Retail Trade	3,002	2,223
48-49 Transportation and Warehousing	4,257	3,196
51 Information	5,901	4,207
52 Finance and Insurance	6,462	5,711
53 Real Estate and Rental and Leasing	3,936	3,009
54 Professional, Scientific, and Technical Services	7,266	5,930
55 Management of Companies and Enterprises	6,393	5,321
56 Administrative and Support and Waste Management and Remediation Services	2,870	2,160
61 Educational Services	3,733	2,935
62 Health Care and Social Assistance	4,281	3,851
71 Arts, Entertainment, and Recreation	2,594	1,654
72 Accommodation and Food Services	2,089	1,671
81 Other Services (except Public Administration)	3,620	2,502
92 Public Administration	3,762	2,675

Older Workers in Metropolitan Statistical Areas and in Nonmetropolitan Area Workplaces in 2017

•In metropolitan statistical areas, the five industry sectors with the largest percentage of workers 55 and older were:

Industry	Percentage of workers
11 Agriculture, Forestry, Fishing and Hunting	27.9%
61 Educational Services	27.3%
21 Mining, Quarrying, and Oil and Gas Extraction	27.3%
22 Utilities	26.6%
53 Real Estate and Rental and Leasing	26.5%

•In nonmetropolitan area work-places, the five industry sectors with the largest percentage of workers 55 and older were:

Industry	Percentage of workers
22 Utilities	31.4%
53 Real Estate and Rental and Leasing	31.0%
11 Agriculture, Forestry, Fishing and Hunting	30.0%
92 Public Administration	29.2%
61 Educational Services	29.0%

•In metropolitan area work-places, of industry sectors employing at least 100 workers that were aged 55 to 64, the highest paying sector for those workers was Utilities (NAICS 22). On average, this sector paid $6,468 a month. The lowest paying was Accommodation and Food Services (NAICS 72), which paid an average $2,042 a month.

•In metropolitan area work-places, of industry sectors employing at least 100 workers ages 65 to 99, the highest paying for this age group was Mining, Quarrying, and Oil and Gas Extraction (NAICS 21), which paid on average, $5,705 a month. The lowest paying was Arts, Entertainment, and Recreation (NAICS 71), which paid on average, $1,283 a month.

•In nonmetropolitan statistical areas, of industry sectors employing at least 100 workers ages 55 to 64, the highest paying for workers in this age range was Mining, Quarrying, and Oil and Gas Extraction (NAICS 21) which paid an average $5,583 a month. The lowest paying was Accommodation and Food Services (NAICS 72), which paid $1,816 on average a month.

•In nonmetropolitan statistical areas, of industry sectors employing at least 100 workers ages 65 to 99, the highest paying for workers in this age range was Utilities (NAICS 22) which paid an average $4,836 a month. The lowest paying was Accommodation and Food Services (NAICS 72), which paid $1,397 on average a month.

Table 1—Percentage of Workers by Age in Metropolitan Statistical Areas and Nonmetropolitan Area Workplaces in Alabama: 2017

Area of Workplace	45 - 54 years	55 - 64 years	65 - 99 years	55 - 99 years
Alabama	21.51	16.34	5.29	21.64
Metropolitan Areas				
Anniston-Oxford, AL	21.26	16.03	5.53	21.56
Auburn-Opelika, AL	18.89	13.47	4.53	18.00
Birmingham-Hoover, AL	21.32	16.24	5.29	21.53
Columbus, GA-AL (AL part)	22.30	15.56	4.79	20.35
Daphne-Fairhope-Foley, AL	20.29	15.29	5.73	21.02
Decatur, AL	23.43	16.80	5.13	21.93
Dothan, AL	21.57	16.56	5.99	22.55
Florence-Muscle Shoals, AL	21.32	16.04	5.17	21.20
Gadsden, AL	21.24	15.21	5.40	20.61
Huntsville, AL	22.10	16.89	5.15	22.05
Mobile, AL	21.26	16.79	5.33	22.12
Montgomery, AL	21.76	16.46	5.31	21.77
Tuscaloosa, AL	19.85	14.53	4.71	19.25
Micropolitan Areas				
Albertville, AL	20.48	14.94	5.14	20.08
Atmore, AL	21.42	16.19	5.83	22.02
Cullman, AL	22.15	17.24	6.30	23.54
Enterprise-Ozark, AL	19.70	15.74	5.32	21.06
Eufaula, AL-GA (AL Part)	19.61	14.72	5.01	19.74
Fort Payne, AL	24.08	19.66	6.55	26.21
Ozark	22.18	15.67	5.25	20.92
Scottsboro, AL	26.62	19.55	6.01	25.56
Selma, AL	22.29	17.02	5.86	22.88
Talladega-Sylacauga, AL	23.03	20.86	6.45	27.31
Troy, AL	24.22	16.51	4.83	21.34
Valley, AL	21.15	16.88	6.52	23.40
All metropolitan areas	23.67	16.98	5.40	22.38
Nonmetropolitan/Nonmicropolitan areas	23.12	18.43	6.01	24.45

The Local Employment Dynamics Program

The LED program is a partnership between the Census Bureau and Alabama, along with every other state in the nation. LED produces QWI for each partner state as well as each partner state's metropolitan areas, combined nonmetropolitan areas, counties, and Workforce Development Board areas. Quarterly and annual averages are available at <http://lehd.did.census.gov>.

Overview

The QWI are measures of economic characteristics and change selected jointly by the Census Bureau and Alabama and the other partner states. Each component of the QWI provides a critical measure of an area's economy and can be used as a tool to better understand changes in the core performance of local economies.

Listed in this report are figures and data tables that show selected QWI statistics on older workers. Comprehensive summary data that cover geographic areas and include age and gender composition by industry, total employment, net job flows, job gains and job losses, separations, new hires, skill level (quarters of employment), and average monthly earnings are available on the web site.

Nine months after a quarter ends, the Census Bureau and its partners update the workforce indicators for that quarter. This provides current and historical information about the characteristics of America's workers and a tool to monitor economic change. [4] The statistics are comparable across time, making it possible to identify emerging workforce trends and turning points and to compare geographic areas and demographic groups working in specific industries. Industries are classified according to the NAICS.

The QWI come from a mixture of data sources, the base of which is a census of jobs. The LED database includes all jobs a worker holds and allows multiple definitions of "employment" in order to respond to a wide variety of questions about the workforce (see "Sources and Accuracy of the Estimates" in the following section). The definition of "employment" in this report, unless stated otherwise, is "beginning of quarter" employment – that is, the total number of workers who were employed by the same employer in the *reference* quarter and the *previous* quarter.

As job-based statistics, the QWI are not directly comparable with statistics from worker-based surveys, such as the decennial and economic censuses, the American Community Survey, or the Current Population Survey. Neither are the QWI exactly comparable with data from establishment surveys, such as those from the U.S. Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW) program, which capture employment data at establishments on the 12th of the month.

Throughout the report, "*earnings*" refer only to the earnings of workers who were employed for a *full quarter* – that is, those who were employed by the same employer in the reference, previous, and subsequent quarters. This earnings measure reflects the earnings of "*attached*" employees, generally workers who worked for the same employer for the whole quarter. The measures of earnings from the QWI are not directly comparable with measures of earnings from the Bureau of Labor Statistics.

Sources and Accuracy of the Estimates

Because the QWI are job-based statistics, not the worker-based statistics familiar to many researchers, the LED database allows multiple definitions of "employment" and can respond to a wide variety of questions about the workforce. [5]

Sources

Enhanced unemployment insurance (UI) wage records and the QCEW are the basic data sources for the QWI. These are administrative data provided to the Census Bureau by Alabama and other partner states. The QWI's coverage, timing of data collection, and concept definitions differ from those in worker-based surveys, such as the decennial and economic censuses, the American Community Survey, and the Current Population Survey. Also, QWI data are not exactly comparable with Bureau of Labor Statistics information, due to timing differences.

Administrative data from these sources almost certainly contain nonsampling errors. The extent of the nonsampling errors is unknown. Sources of nonsampling errors include errors made in data collection, such as recording and coding errors, errors made in processing the data, errors made in estimating values for missing data, and errors from failing to represent all units within a target population (undercoverage).

The LED program undertakes a process of continuous monitoring to attempt to control the nonsampling errors in the integrated data that underlie the LED database. In particular, identifiers on both the UI wage records and the QCEW records are subjected to longitudinal editing every quarter. A set of quality assurance tests is applied to the integrated data. These tests detect problems known to cause nonsampling errors – primarily, tests for missing records of various types (based on estimates of the number of expected records from alternative sources), tests for incomplete wage or earnings information, and tests for changes in the structure of identifiers or entities. Problems detected by these quality assurance tests are investigated and corrected before data integration and production of the QWI are allowed to continue. [6]

[4] Because the QWI are updated quarterly, the numbers in this report may differ from the most recent ones, which are shown on the current LED Web site.

[5] For the QWI, a "job" is defined as an employer-employee pair among administrative datasets.

[6] Technical documentation is available at <http://lehd.did.census.gov>.

Industries are based upon the NAICS.

Coverage

This report covers civilian noninstitutionalized workers in the private sector only. While this report does not include federal government workers, the complete QWI database does include most state and local government employees. The QWI database covers about 98 percent of nonagricultural, private wage, salaried employment. The remaining 2 percent of the nonagricultural, private wage, salaried workers are railroad workers and workers for some nonprofit organizations. Self-employed workers and independent contractors are not in the covered universe. [7]

Definitions

The LED database includes all jobs held:

- *In a quarter*, regardless of the length of time the job is held.
- At the *beginning of a quarter* – the measure used in this report (workers employed by the same employer in the reference quarter and the previous quarter).
- At the *end of a quarter*.
- For a *full quarter* (total number of workers who were employed by the same employer in the reference, previous, and subsequent quarters). This measure is used in this report for average earnings because it reflects the earnings of employees in more stables jobs.

The measure that is closest to the QCEW definition of employment is jobs "held at the *beginning* of a quarter." This measure has the additional advantage of capturing trends similar to those shown by worker-based surveys, such as the decennial census.

Annual figures are simple averages with each quarter weighted equally. There is no differential weighting of averages for seasonal industries, for example.

Earnings are measured differently among the various datasets. According to the *BLS Handbook of Methods* (1997), UI wage records measure "gross wages and salaries, bonuses, stock options, tips, and other gratuities, and the value of meals and lodging, where supplied." They do not include amounts paid for Old-Age, Survivors, and Disability Insurance (OASDI), health insurance, private pensions, and welfare funds. The LED database does not include the number of hours or weeks an employee worked. Thus, low average earnings in a given year or quarter in an industry sector may reflect relatively low hourly wages, or many part-time jobs, or both, as often this occurs in the retail trade sector.

Some large companies have multiple work sites but may report all their workers at the company's main address. This creates a problem for the correct geographic distribution of the workers. LED uses an imputation process to allocate workers to geographic areas in order to maintain appropriate distributions within the QWI dataset.

Confidentiality of Information about Individuals and Firms is protected.

The Census Bureau and the state partners, including Alabama, are committed to protecting the confidentiality of the data used to create the LED estimates. One technical approach used to conceal individual information involves combining cell suppression methodology and statistical noise, thereby controlling key measures to county employment levels as reported by the Bureau of Labor Statistics. In other words, the Census Bureau uses statistical techniques in which the actual statistics are not shown if the numbers in a cell are small. In addition, the statistics that are shown are "fuzzy," meaning close to the actual information but not exact.

Only Census Bureau employees and individuals who have Special Sworn Status are permitted to work with the input data. Everyone who has access to data protected by Title 13 of the U.S. code must have an official security clearance based on a background check, including fingerprinting. [8]

Additionally, these individuals are subject to a fine of up to $250,000, up to 5 years in prison, or both, if confidential information is disclosed. The Census Bureau and the state data custodians review all products before release to avoid disclosure of confidential information.

The LED program undertakes a process of continuous monitoring to attempt to control the nonsampling errors in the integrated data that underlie the LED database. In particular, identifiers on both the UI wage records and the QCEW records are subjected to longitudinal editing every quarter. A set of

More Detailed information about the confidentiality protection system is available under the "Confidentiality" menu at <http://lehd.did.census.gov>.

[7] See David W. Stevens. Employment That Is Not Covered by State Unemployment. LEHD Technical Paper, TP-2002-16. U.S. Census Bureau, Washington, DC. Available at <http://lehd.did.census.gov/led/library/techpapers/tp-2002-16.pdf>.

[8] The Census Bureau's Data Protection and Privacy Policy, including information on Title 13, is available at <http://www.census.gov/privacy>.

Figure 1—Percentage of Workers 45 to 54 Years Old by County of Workplace in Alabama: 2017

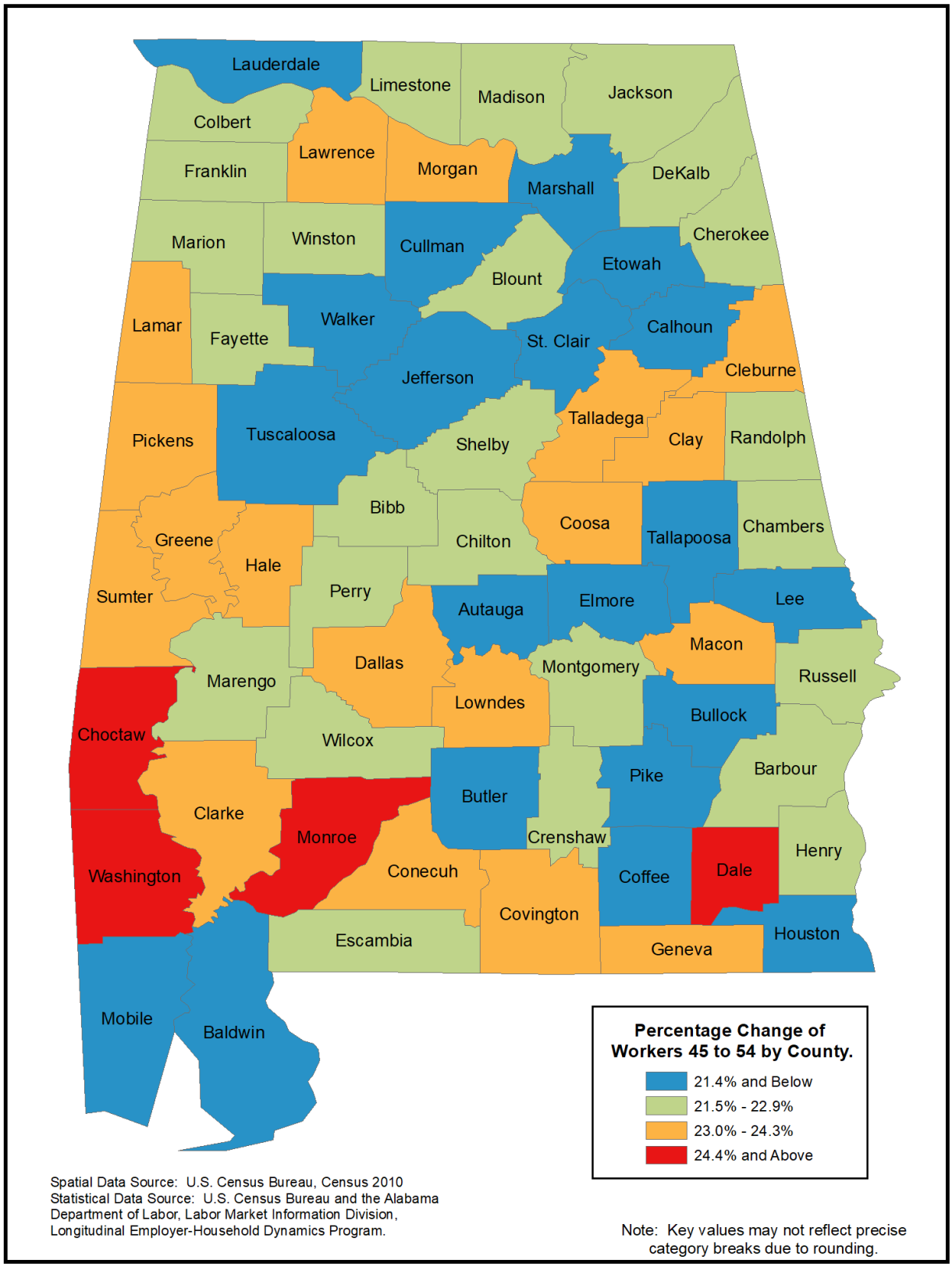


Figure 2—Percentage of Workers 55 to 64 Years Old by County of Workplace in Alabama: 2017

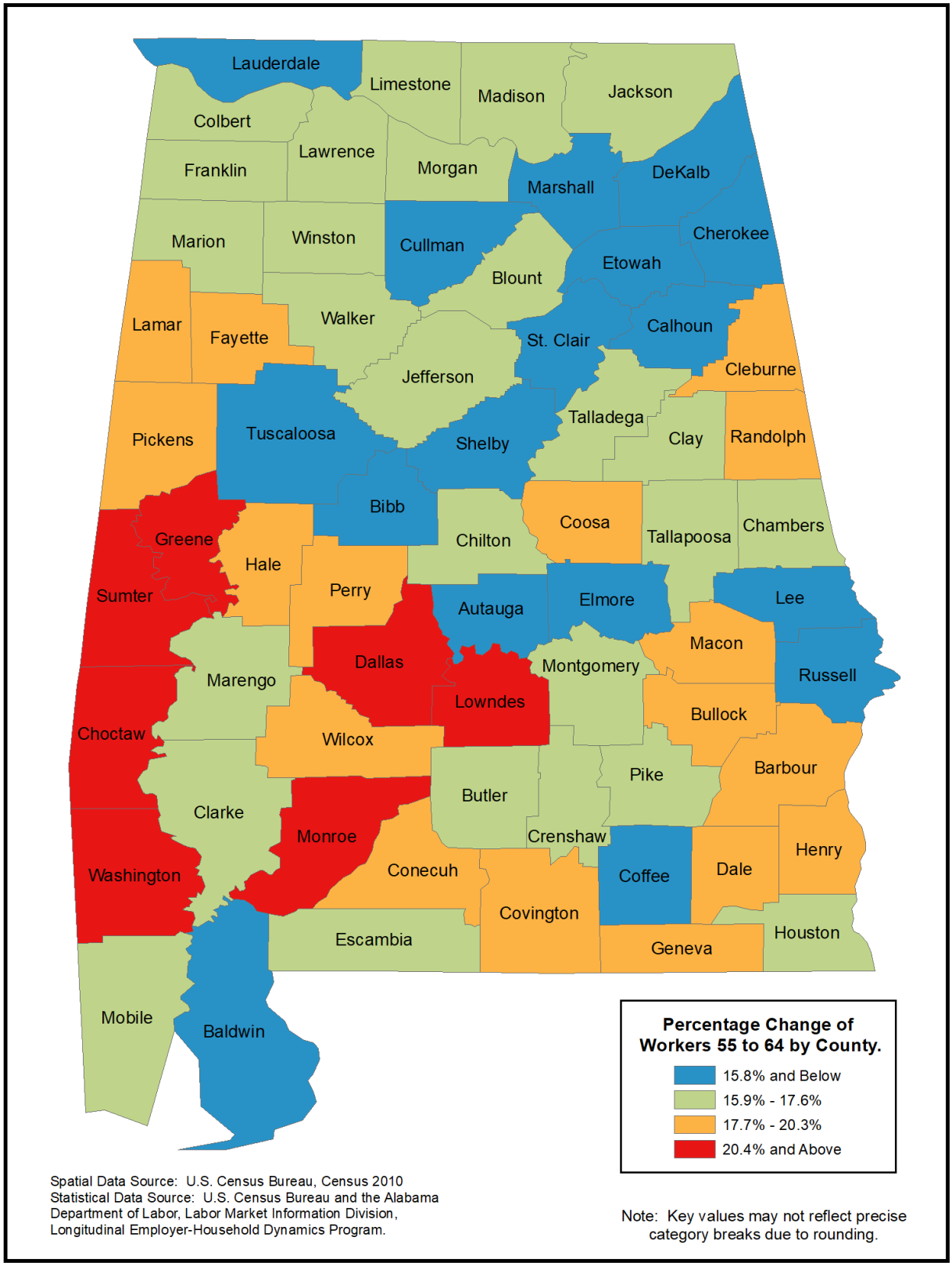
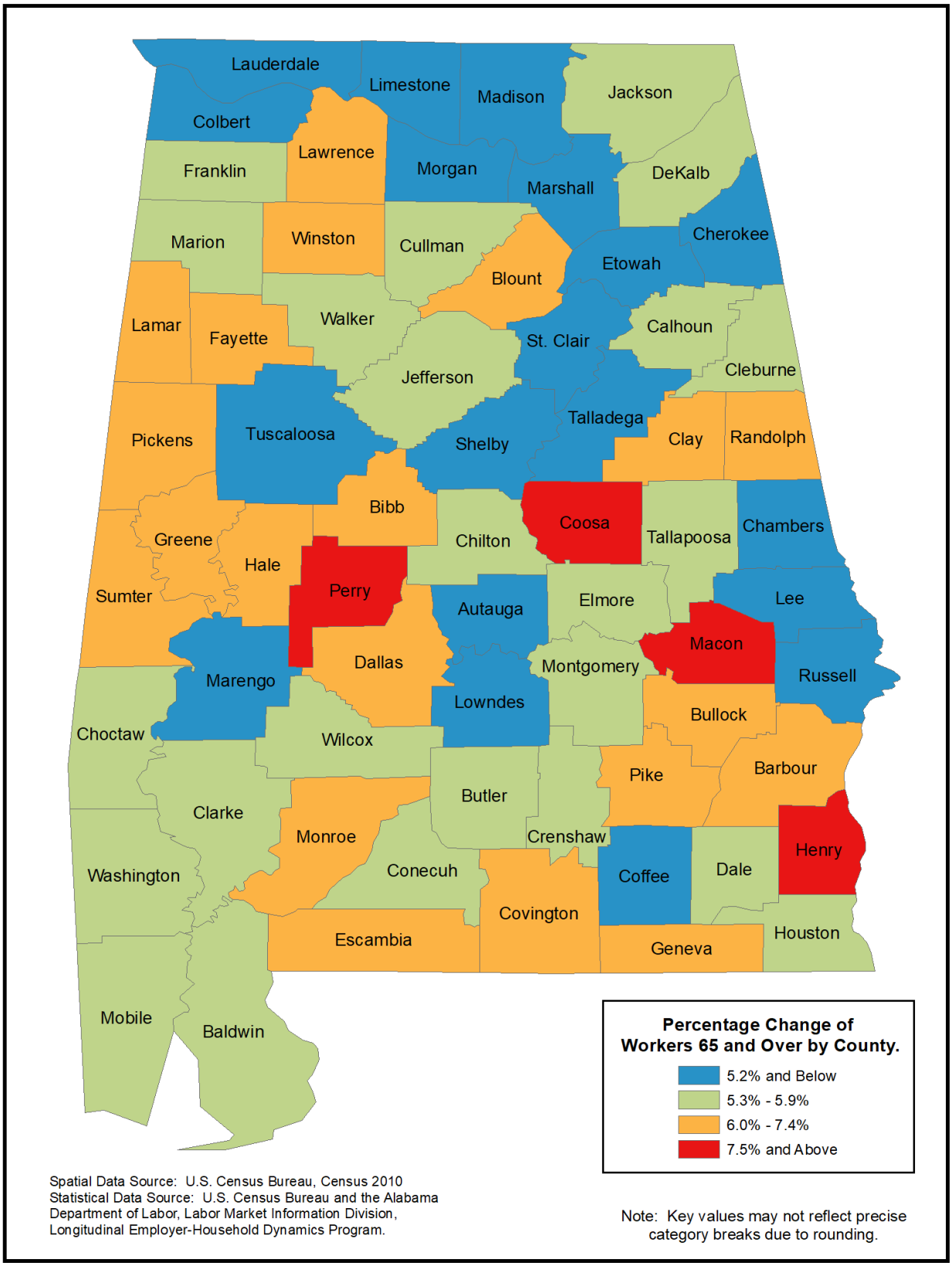


Figure 3—Percentage of Workers 65 and Older by County of Workplace in Alabama: 2017



Spatial Data Source: U.S. Census Bureau, Census 2010
Statistical Data Source: U.S. Census Bureau and the Alabama Department of Labor, Labor Market Information Division, Longitudinal Employer-Household Dynamics Program.

Note: Key values may not reflect precise category breaks due to rounding.

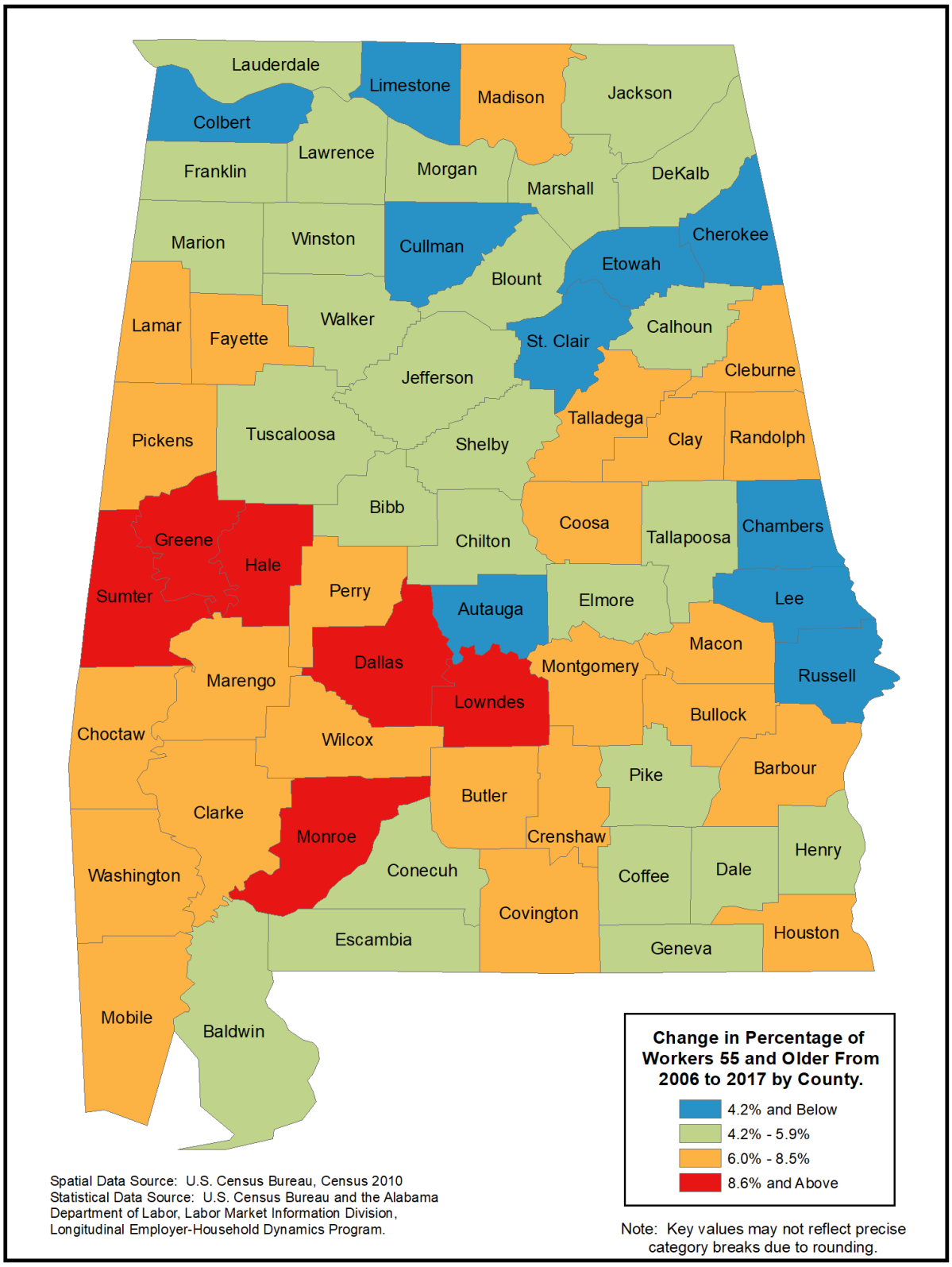



Figure 4—Change in Percentage of Workers 55 and Older by County of Workplace in Alabama: 2006 to 2017