

# THE GEOGRAPHIC DISTRIBUTION AND CHARACTERISTICS OF OLDER WORKERS IN ALABAMA

## Local Employment Dynamics

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## HIGHLIGHTS

The statistics about older workers in Alabama in 2007 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.<sup>1</sup> 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 2007, the Baby Boom cohort was aged 45 to 63.

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.<sup>2</sup>

This document has been updated by the Alabama Department of Industrial Relations, Labor Market Information Division. The original text as presented with 2004 data by the U.S. Census Bureau<sup>3</sup> has been maintained largely intact with the information refreshed using available 2007 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

<sup>1</sup> U.S. Census Bureau, 2004. "U.S. Interim Projections by Age, Sex, Race, and Hispanic Origin," <http://www.census.gov/ipc/www/usinterimproj/natprojtabo2a.xls>.

<sup>2</sup> 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>.

<sup>3</sup> 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.

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

### Age Composition of the Workforce

•Of the 67 counties in Alabama, 20.0 percent or more of the total workforce in 25 counties was 55 and older.

•Statewide, 18.2 percent of workers were 55 and older. The five counties with the highest percentage of workers 55 and older were:

County	Percentage of Workforce
Coosa	26.4
Perry	25.4
Washington	24.8
Henry	23.4
Macon	23.3

•Statewide, 4.0 percent of workers were 65 and older. The five counties with the highest percentage of workers 65 and older were:

County	Percentage of Workforce
Perry	8.1
Macon	6.2
Pickens	6.0
Coosa	5.9
Geneva	5.8

- All counties in Alabama experienced an increase from 2002 to 2009 in percentage of workforce that was 55 and older, with the exception of Choctaw which saw a decrease of 4.5 percent. The largest increase was in Lowndes County with over 50 percent.

- Of the total workforce employed in metropolitan statistical areas, about 18.1 percent was 55 and older; and in nonmetropolitan area workplaces, the figure was 20.3 percent.

### Industry Sectors with the Highest Proportions of Older Workers in 2009

- Statewide, among industry sectors that employed 100 or more workers 55 and older, Educational Services (NAICS 61) had the highest proportion of workers in this age group. This sector had the highest percentage of workers 55 and older in 10 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
61 Educational Services	25.2
11 Agriculture, Forestry, Fishing and Hunting	23.6
21 Mining, Quarrying, & Oil & Gas Extraction	23.4
92 Public Administration	22.8
53 Real Estate and Rental and Leasing	22.2
81 Other Services	20.2
48-49 Transportation & Warehousing	21.3
22 Utilities	20.5

- In metropolitan statistical areas of the state, the industry sector that employed the largest percentage of workers 55 and older was Educational Services (NAICS 61), with 25.3 percent; the industry sector with the highest proportion of workers 65 and older was Agriculture, Forestry, Fishing, and Hunting (NAICS 11), with 7.4 percent.

- In nonmetropolitan area work-places in Alabama, the industry sector that employed the largest percentage of workers 55 and older was Other Services (NAICS 81), with 27.3 percent. This industry sector also had the highest proportion of workers 65 and older, with 9.5 percent.

### Industry Sectors Most Likely to Employ Older Workers in 2009

- Of the workers in the state 55 and older, 14.2 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 36 of 67 counties.

- Of the workers 55 and older in the state’s metropolitan statistical areas, 13.33 percent were employed in Manufacturing (NAICS 31-33), the highest proportion for that age group statewide among industrial sectors.

- Of the workers 55 and older in the state’s nonmetropolitan area workplaces, 23.9 percent were employed in Manufacturing (NAICS 31-33), the highest proportion for that age group statewide among industrial sectors.

### Quarterly Job Gains and Losses in 2009

- On average, for workers 55 to 64 years old, 7,510 jobs were created quarterly and 11,945 jobs were lost quarterly. For workers 65 and older, the numbers were 2,971 and 5,468, respectively.

- The county with the largest share of job gains for workers 55 to 64 years old was Coosa County, with 20.0 percent. The largest share of job losses for such workers was also in Coosa County, with 24.3 percent.

- The county with the largest share of job gains for workers 65 and older was Perry County, with 8.8 percent. The largest share of job losses for such workers was in Pickens County, with 11.9 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 1,178 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 2,051 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 341 jobs gained per quarter at the state level. The most jobs lost by that age group were also in Retail Trade (NAICS 44-45), with 797 jobs lost per quarter at the state level.

### Average Earnings of Older Workers in 2009

- Statewide, on average, workers 55 to 64 earned \$3,828 a month; workers 65 to 99, on average, earned \$2,689.

- 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, \$6,000 per month. The lowest paying was Accommodation and Food Services (NAICS 72). Workers in this sector earned, on average, \$1,610 per month. The following table shows statewide average monthly earnings in 2007 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	3,828	2,689
11 Agriculture, Forestry, Fishing and Hunting	2,971	2,207
21 Mining, Quarrying, and Oil and Gas Extract	5,951	4,797
22 Utilities	6,303	3,384
23 Construction	4,133	3,235
31-33 Manufacturing	4,303	3,602
42 Wholesale Trade	4,665	3,288
44-45 Retail Trade	2,555	1,818
48-49 Transportation and Warehousing	3,467	2,436
51 Information	4,645	2,577
52 Finance and Insurance	5,208	4,042

Industry	Earnings (\$)	
	55-64	65-99
53 Real Estate and Rental and Leasing	3,147	2,204
54 Professional, Scientific, & Technical Services	6,206	5,240
55 Management of Companies and Enterprises	5,107	3,927
56 Administrative and Support and Waste Mgt	2,287	1,812
61 Educational Services	3,518	2,580
62 Health Care and Social Assistance	3,735	2,952
71 Arts, Entertainment, and Recreation	2,200	1,326
72 Accommodation and Food Services	1,726	1,343
81 Other Services (except Public Administration)	2,835	1,773
92 Public Administration	3,585	2,330

## Older Workers in Metropolitan Statistical Areas and in Nonmetropolitan Area Workplaces in 2009

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

Industry	Percentage of workers
61 Educational Services	25.3
21 Mining, Quarrying, & Oil & Gas Extraction	23.6
11 Agriculture, Forestry, Fishing and Hunting	23.1
92 Public Administration	22.5
53 Real Estate and Rental and Leasing	22.1

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

Industry	Percentage of workers
81 Other Services (except Public Administration)	27.3
92 Public Administration	25.9
61 Educational Services	25.0
48-49 Transportation & Warehousing	24.4
11 Agriculture, Forestry, Fishing & Hunting	24.4

•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 \$6,489 a month. The lowest paying was Accommodation and Food Services (NAICS 72), which paid an average \$1,744 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 Professional, Scientific, and Technical Services (NAICS 54), which paid on average, \$5,253 a month. The lowest paying was Arts, Entertainment, and Recreation (NAICS 71), which paid on average, \$1,306 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, & Oil & Gas Extraction (NAICS 21) which paid an average \$5,551 a

month. The lowest paying was Accommodation and Food Services (NAICS 72), which paid \$1,536 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 Management of Companies and Enterprises (NAICS 55) which paid an average \$5,156 a month. The lowest paying was Accommodation and Food Services (NAICS 72), which paid \$1,293 on average a month.

**Table 1—Percentage of Workers by Age in Metropolitan Statistical Areas and Nonmetropolitan Area Workplaces in Alabama: 2007**

Area of Workplace	45 - 54 years	55 - 64 years	65 - 99 years	55 - 99 years
<b>Alabama</b>	23.5	14.2	4.0	18.2
<i>Metropolitan Areas</i>				
Anniston-Oxford, AL	22.4	14.2	3.9	18.1
Auburn-Opelika, AL	20.8	12.6	3.4	16.0
Birmingham-Hoover, AL	23.3	14.3	3.9	18.2
Columbus, GA-AL (AL part)	24.2	14.9	3.9	18.8
Decatur, AL	25.1	14.1	3.6	17.7
Dothan, AL	23.0	14.5	4.3	18.8
Florence-Muscle Shoals, AL	23.0	13.8	4.1	17.9
Gadsden, AL	22.0	15.0	4.1	19.1
Huntsville, AL	24.8	13.4	3.8	17.2
Mobile, AL	23.7	14.4	3.9	18.3
Montgomery, AL	23.3	14.1	3.9	18.1
Tuscaloosa, AL	22.6	13.0	3.5	16.4
<i>Microopolitan Areas</i>				
Albertville, AL	22.0	13.3	3.9	17.2
Alexander City, AL	24.1	16.1	4.7	20.8
Cullman, AL	23.0	14.5	4.5	19.0
Daphne-Fairhope-Foley, AL	22.3	13.5	4.6	18.1
Enterprise-Ozark, AL	23.2	15.3	4.3	19.6
Eufaula, AL-GA (AL part)	24.5	15.2	3.9	19.1
Fort Payne, AL	22.3	13.4	4.1	17.5
Scottsboro, AL	22.8	15.1	3.9	19.0
Selma, AL	27.1	16.7	4.4	21.1
Talladega-Sylacauga, AL	25.8	14.3	3.8	18.1
Troy, AL	22.8	14.9	4.6	19.5
Tuskegee, AL	21.6	17.1	6.2	23.3
Valley, AL	24.1	15.5	4.8	20.3
<i>All metropolitan areas</i>	23.4	14.1	3.9	18.1
<i>Nonmetropolitan, nonmicroopolitan areas</i>	25.1	15.8	4.5	20.3

## 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.<sup>4</sup> 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 12<sup>th</sup> 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

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<sup>4</sup> 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.

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.<sup>5</sup>

### 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.<sup>6</sup>

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 WEI database does include most state and local government employees. The QWI database covers about 98 percent of nonagricultural, private wage,

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<sup>5</sup> For the QWI, a "job" is defined as an employer-employee pair among administrative datasets.

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

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.<sup>7</sup>

## 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 stable jobs.

The measure that is closest to the QCEW definition of employment is the second one, jobs held at the beginning of a quarter. This second 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 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.

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<sup>7</sup> 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>.

## 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.<sup>8</sup>

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> .

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

Figure 2—Percentage of Workers 45 to 54 Years Old by County of Workplace in Alabama: 2009

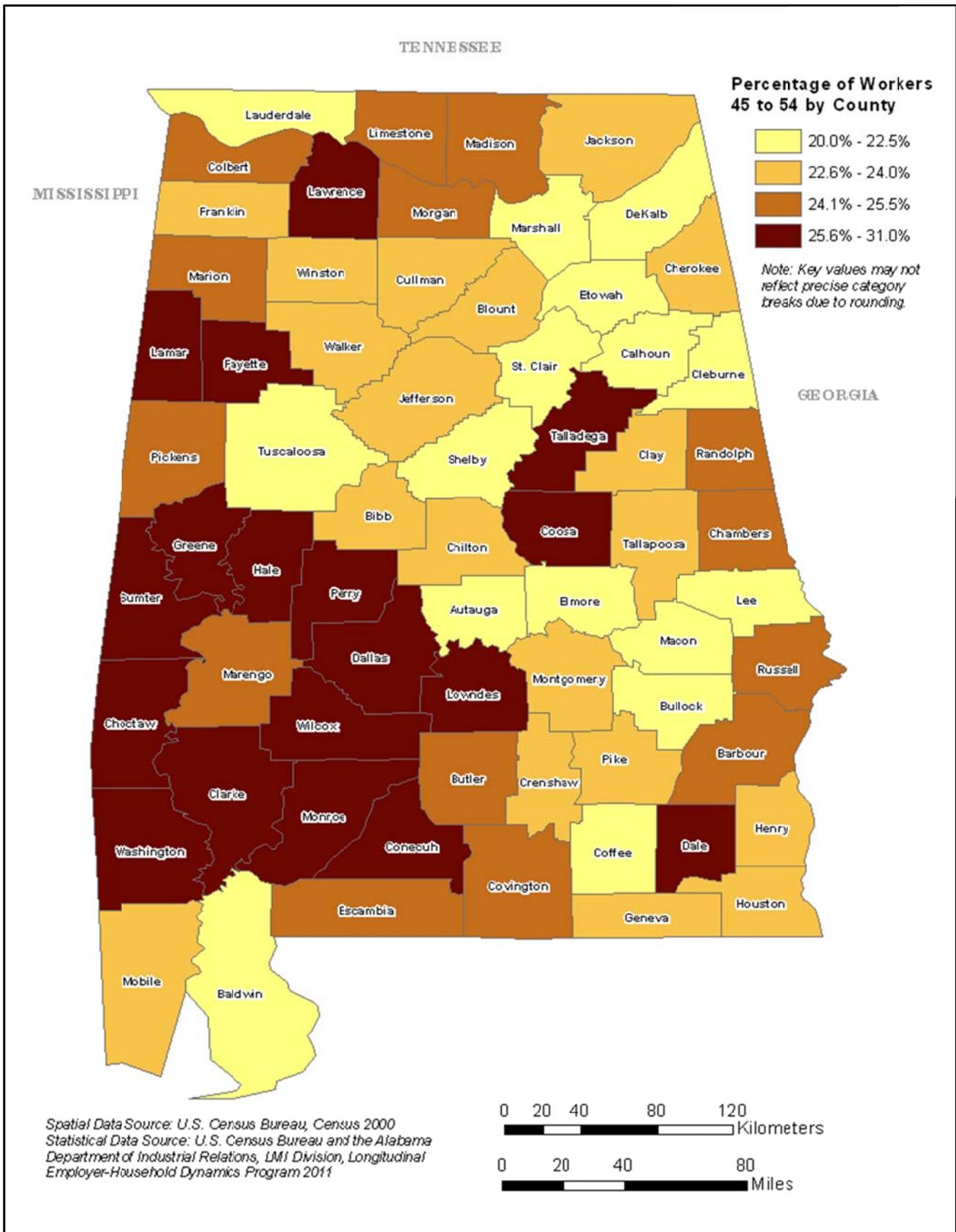
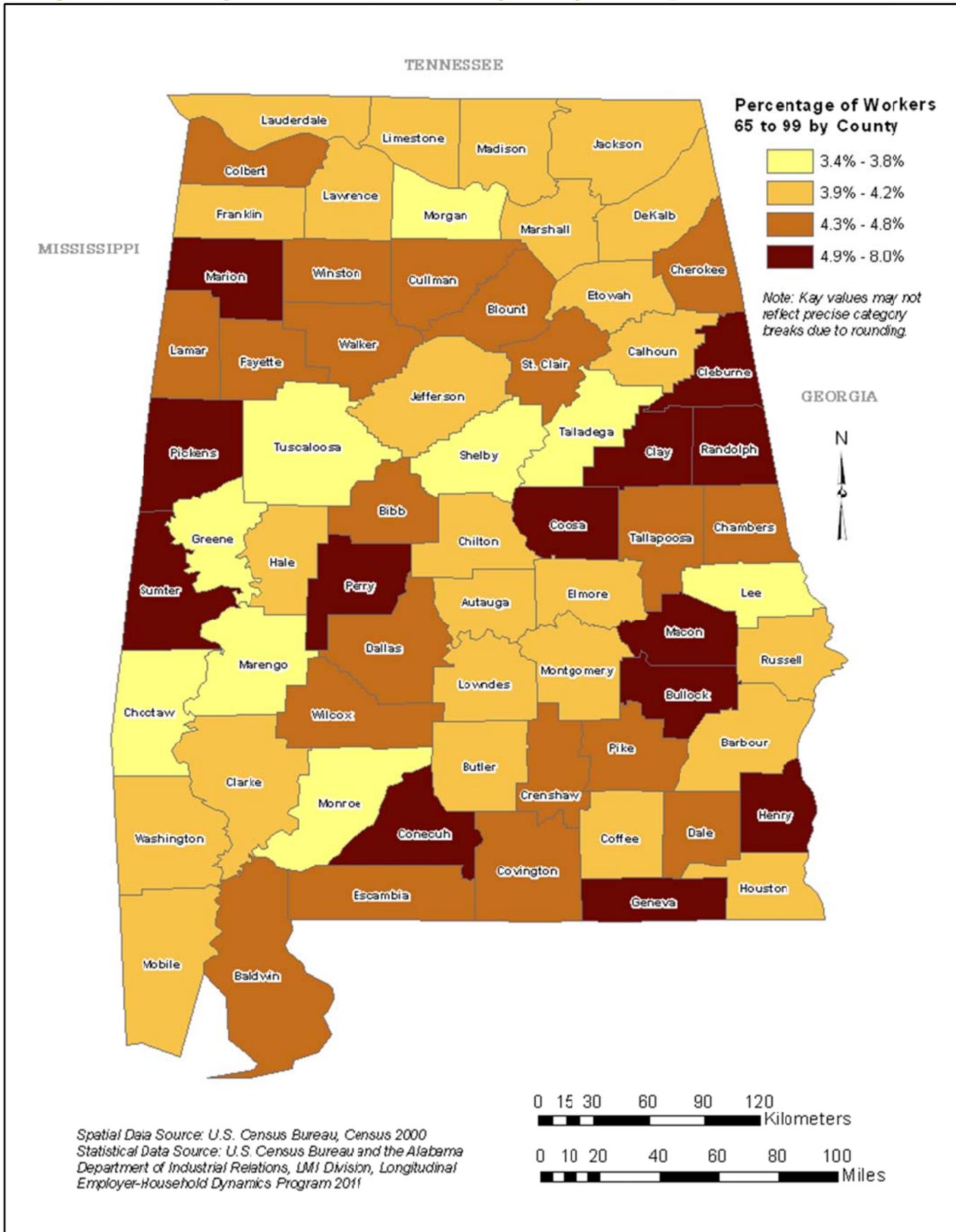




Figure 4—Percentage of Workers 65 and Older by County of Workplace in Alabama: 2009



**Figure 5—Percentage Change in Number of Workers 55 and Older by County of Workplace in Alabama: 2002 to 2009**

