

## Workforce Supply

- **With unemployment at 9.9 percent, Alabama has a 671,107-strong available labor pool that includes 463,463 underemployed workers seeking better jobs.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 46 percent are prepared for 20 or more minutes longer and 34 percent will go 20 or more extra miles.

Labor Force	2,106,305
Employed	1,898,661
Underemployment rate	24.4%
Number of underemployed workers	463,463
Unemployed	207,644
<b>Available labor pool</b>	<b>671,107</b>

Note: Based on January 2011 labor force data.

Source: Center for Business and Economic Research, The University of Alabama and Alabama Department of Industrial Relations.

- **Congestion has been worsening but it eased slightly in 2010 due to job losses; fewer people are traveling to work and both the state's commute time and distance are down in 2010 from 2009.**

Continuous maintenance and development of the state's transportation infrastructure and systems is essential because impeding the mobility of workers and the flow of goods can slow economic development and recovery.

- **Alabama has lower educational attainment, labor force participation, and population growth than the nation.**

Of the age 25 and over population, 80.8 percent were high school graduates and 21.5 percent held bachelor's or higher degrees in Alabama in 2005 to 2009. Nationally, 84.6 percent were high school graduates and 27.5 percent held bachelor's or higher degrees. Labor force participation in 2010 was 58.3 percent for Alabama and 64.7 percent for the United States. Population growth from 1990 to 2000 amounted to 10.1 percent, compared to 13.2 percent for the nation. The 2000 to 2010 population growth is 7.5 percent for Alabama and 9.7 percent for the nation. 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 growth is currently lower than the labor force and population but is expected to be faster in the long term.**
- **By sector and in decreasing order, the five largest employers in the state are manufacturing, health care and social assistance, retail trade, educational services, and accommodation and food services.**

These five sectors provided 1,011,818 jobs, about 58.5 percent of the state total, in the first quarter of 2010. These leading employers are not the highest paying sectors; only manufacturing had wages that were above the state monthly average of \$3,116.

- **On average about 93,088 jobs were created per quarter from second quarter 2001 to first quarter 2010; quarterly net job flows averaged about 6,483.**

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 health, legal, management, engineering, computer, postsecondary education, and science fields and have a minimum salary of \$84,980. Two of these do not require bachelor's or higher degrees. Nine of the top 10 are health occupations.**
- **The top five high-demand occupations are:** Registered Nurses; Team Assemblers; Customer Service Representatives; Elementary School Teachers, Except Special Education; and Home Health Aides.
- **The top five fast-growing occupations are:** Veterinary Technologists and Technicians; Computer Software Engineers, Applications; Network Systems and Data Communications Analysts; Occupational Therapist Assistants; and Personal and Home Care Aides.
- **Three occupations are high-earning, fast-growing, and in high-demand:** Personal Financial Advisors; Computer Software Engineers, System Software; and Biological Science Teachers, Postsecondary.

- **Five jobs are high-earning and in high-demand:**

Anesthesiologists  
Pharmacists  
Biological Science Teachers, Postsecondary  
Personal Financial Advisors  
Computer Software Engineers, Systems Software

- **The state has 27 jobs that are both fast-growing and in high-demand:**

Computer Software Engineers, Applications  
Network Systems and Data Communications Analysts  
Medical Assistants  
Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders  
Home Health Aides  
Aircraft Mechanics and Service Technicians  
Physical Therapist Assistants  
Pharmacy Technicians  
Vocational Education Teachers, Postsecondary  
Dental Hygienists  
Aircraft Structure, Surfaces, Rigging, and Systems Assemblers  
Industrial Engineers  
Dental Assistants  
Transportation Inspectors  
Physical Therapists  
Database Administrators  
Bill and Account Collectors  
Medical and Public Health Social Workers  
Network and Computer Systems Administrators  
Commercial Pilots  
Veterinarians  
Fitness Trainers and Aerobics Instructors  
Computer Software Engineers, Systems Software  
Computer Systems Analysts  
Biological Science Teachers, Postsecondary  
Occupational Therapists  
Personal Financial Advisors

## Implications for Workforce Development

- From a 2008 base, a worker surplus of about 116,900 for 2018 and a worker shortfall of about 73,300 for 2025 are expected.

Worker skills and the expected shortfall must be priorities through 2025 with heavy emphasis on skills in the near term. Worker shortfalls for critical occupations will need to be addressed continuously.

- **Strategies to address skill needs and worker shortfalls should aim at increasing labor force participation 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 state as well as raise additional state and local (county and city) tax revenues. This is especially important for a state that has low population and labor force growth rates.

Of the state's 905 occupations and occupational categories, 117 are expected to decline over the 2008 to 2018 period. Twenty occupations are expected to see a sharp decline of at least 10 percent, with each losing a minimum of 190 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.

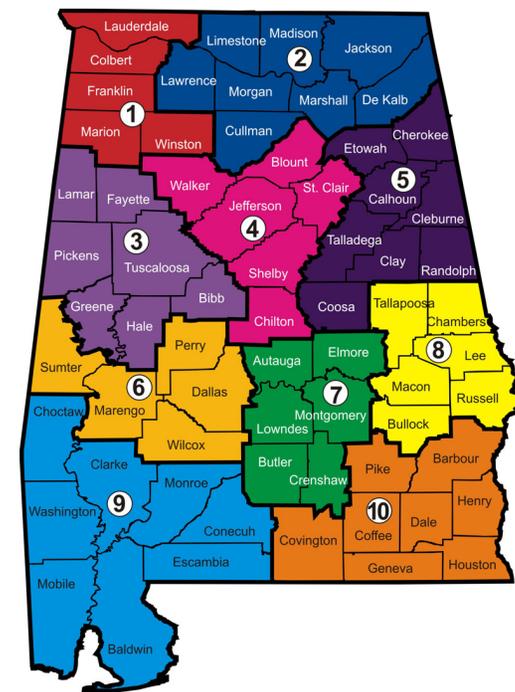
Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skills.

Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.

- **The pace of training needs to increase for technical and systems skills, while the scale of training should be raised for basic and social skills.**
- **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 Alabama economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary because the largest employment sectors, except for manufacturing, do not pay high wages.
- **Workforce development and economic development can together build a strong and well-diversified Alabama economy. Indeed, one cannot achieve success without the other.**

## State of the Workforce Report V: Alabama 2010 Summary



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