

Workforce Supply

- **Workforce Development Region 1 has a 30,813-strong available labor pool that includes 19,503 underemployed workers who are looking for better jobs, as well as 11,310 unemployed residents.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 47 percent are prepared for 20 or more minutes longer and 33 percent will go 20 or more extra miles.

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|---------------------------------|---------------|
| Labor Force | 101,269 |
| Employed | 89,959 |
| Underemployment rate | 21.7% |
| Number of underemployed workers | 19,503 |
| Unemployed | 11,310 |
| Available labor pool | 30,813 |

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 eased due to job losses; less people are traveling to work and both commute time and distance are down in 2010 from 2009.**

However, 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 1 has lower educational attainment and population growth than the state.**

Of the region's age 25 and over population, 76 percent were high school graduates and nearly 16 percent held bachelor's or higher degrees in 2005 to 2009. For the state as a whole, almost 81 percent were high school graduates and nearly 22 percent held bachelor's or higher degrees.

The region's population growth from 1990 to 2000 amounted to 9.1 percent, compared to 10.1 percent for the state. The 2000 to 2010 population growth is 1.7 percent for Region 1 and 7.5 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 growth is expected to lag labor force and population growth.**
- **By sector and in decreasing order, the five largest employers in the region are manufacturing, retail trade, health care and social assistance, educational services, and accommodation and food services.**

These five sectors provided 50,222 jobs, about 68 percent of the regional total, in the first quarter of 2010. Three of these leading employers had wages that were above the region's average monthly wage of \$2,503.

- **On average about 4,008 jobs were created per quarter from second quarter 2001 to first quarter 2010; quarterly net job flows averaged about 151.**

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 management, health, engineering, and legal fields and have a minimum salary of \$57,117. Fourteen of these do not require bachelor's or higher degrees. Five of the top 10 high-earning occupations are in management and three are in health.**

- **The top five high-demand occupations are:**

Welders, Cutters, Solderers, and Brazers
Home Health Aides
Pharmacy Technicians
Industrial Machinery Mechanics
Helpers--Pipe layers, Plumbers, Pipefitters, and Steamfitters.

- **The top five fast-growing occupations are:**

Rail Car Repairers
Welders, Cutters, Solderers, and Brazers
Mental Health Counselors
Rehabilitation Counselors
Computer Software Engineers, Applications.

- **Two occupations are high-earning, fast-growing, and in high-demand:**

Mechanical Engineers
Industrial Engineers

- **The region has 21 jobs that are both fast-growing and in high-demand:**

Welders, Cutters, Solderers, and Brazers
Home Health Aides
Pharmacy Technicians
Industrial Machinery Mechanics
Medical and Public Health Social Workers
Medical Assistants
Social and Human Service Assistants
Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders
Computer-Controlled Machine Tool Operators, Metal and Plastic
Industrial Engineers
Mechanical Engineers
Mental Health Counselors
Network Systems and Data Communications Analysts
Occupational Therapist Assistants
Painters, Transportation Equipment
Rail Car Repairers
Rehabilitation Counselors
Residential Advisors
Social and Community Service Managers
Special Education Teachers, Preschool, Kindergarten, and Elementary School
Structural Metal Fabricators and Fitters

Implications for Workforce Development

- From a 2008, worker surpluses of 7,086 and 3,832 are estimated by 2018 and 2025, respectively.

Thus, worker skills must be of high priority through 2025. Worker shortfall in critical occupations will need to be addressed as well.

- **Strategies to address skill needs and critical occupation shortfalls should aim at raising worker productivity and increase labor force participation.**

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 especially important for a region that has low population and labor force growth rates.

Of the region's 713 occupations and occupational categories, 83 are expected to decline over the 2008 to 2018 period. Twenty occupations are expected to see a sharp decline of at least 6 percent, with each losing a minimum of 10 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 and scale of training needs to increase for basic and social skills in the region.**
- **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 1 economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary although three of the largest employment sectors pay higher wages than the regional average.

- **Workforce development and economic development can together build a strong and well-diversified Region 1 economy. Indeed, one cannot achieve success without the other.**

State of the Workforce Report V: Region 1 2010 Summary



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