

Workforce Supply

- **Workforce Development Region 2 has a 122,678-strong available labor pool that includes 84,342 underemployed workers who are looking for better jobs, as well as 35,336 unemployed residents.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 40 percent are prepared for 20 or more minutes longer and 25 percent will go 20 or more extra miles.

Labor Force	410,051
Employed	371,715
Underemployment rate	22.7%
Number of underemployed workers	84,342
Unemployed	38,336
Available labor pool	122,678

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; fewer people are travelling to work and both commute time and distance are down in 2010. However, congestion is still an issue in some areas.**

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 2 has mixed educational attainment but faster population growth compared to the state.**

Of the region's age 25 and over population, 80 percent were high school graduates and about 23 percent held bachelor's or higher degrees in 2000 to 2009. For the state as a whole, 81 percent were high school graduates and about 22 percent held bachelor's or higher degrees.

The region's population growth from 1990 to 2000 amounted to 15.2 percent, compared to 10.1 percent for the state. The 2000 to 2010 population growth is 13.4 percent for Region 2 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 currently lower than the labor force and population growth but it is expected to be faster in the long term.**
- **By sector and in decreasing order, the five largest employers in the region are manufacturing; retail trade; professional, scientific, and technical services; health care and social assistance; and accommodation and food services.**

These five sectors provided 206,527 jobs, about 63 percent of the regional total, in the first quarter of 2010. Two of these leading employers—manufacturing and professional, scientific, and technical services—paid more than the region's average monthly wage of \$3,304.

- **On average about 17,051 jobs were created per quarter from second quarter 2001 to first quarter 2010; quarterly net job flows averaged about 1,544.**

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, management, engineering, computer, science and finance fields and have a minimum salary of \$83,157. Just two one 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; Computer Systems Analysts; Home Health Aides; Computer Software Engineers, Systems Software; and Licensed Practical and Licensed Vocational Nurses.
- **The top five fast-growing occupations are:** Marriage and Family Therapists; Veterinary Technologists and Technicians; Network Systems and Data Communications Analysts; Rehabilitation Counselors; and Medical Assistants.
- **Three occupations are high-earning, fast-growing, and in high-demand:** Anesthesiologists; Computer Software Engineers, Applications; and Physical Therapists.

- **Twelve additional occupations are both high-demand and high-earning:**

Anesthesiologists
 Environmental Engineers
 Personal Financial Advisors
 Pharmacists
 Computer and Information Systems Managers
 Aerospace Engineers
 Civil Engineers
 Computer Software Engineers, Applications
 Computer Software Engineers, Systems Software
 Management Analysts
 Chiropractors
 Physical Therapists

- **The region has 20 jobs that are both high-demand and fast-growing:**

Network Systems and Data Communications Analysts
 Medical Assistants
 Aircraft Mechanics and Service Technicians
 Home Health Aides
 Computer Software Engineers, Applications
 Occupational Therapists
 Physical Therapist Assistants
 Aircraft Structure, Surfaces, Rigging, and Systems Assemblers
 Physical Therapists
 Medical and Public Health Social Workers
 Pharmacy Technicians
 Cardiovascular Technologists and Technicians
 Veterinarians
 Computer Systems Analysts
 Network and Computer Systems Administrators
 Dental Assistants
 Database Administrators
 Vocational Education Teachers, Postsecondary
 Dental Hygienists
 Anesthesiologists

Implications for Workforce Development

- **From a 2008 base, a worker surplus of 35,098 for 2018 and a worker shortfall of 11,893 for 2025 are expected.**

This requires a focus on worker skills through 2018, after which both skill and the expected shortfall must be priorities through 2025. Worker surplus may be overstated due to the expected impact of BRAC-related troop increases and job opportunities in Huntsville.

- **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 especially important, even for a region that has higher population and labor force growth rates than the state.

Of the region's 840 occupations and occupational categories, 79 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 40 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, systems, and complex problem solving 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 2 economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary despite having two large employment sectors paying higher than average wages.

- **Workforce development and economic development can together build a strong and well-diversified Region 2 economy. Indeed, one cannot achieve success without the other.**

State of the Workforce Report V: Region 2 2010 Summary



Funding for this project was provided by:
U.S. Small Business Administration

Partners on the project included:
Alabama Department of Economic and
Community Affairs
Alabama Department of Industrial Relations
Alabama Department of Postsecondary Education
Alabama Industrial Development Training
Alabama Power Company
The University of Alabama