

Workforce Supply

- **Workforce Development Region 5 has a 61,374-strong available labor pool that includes 41,769 underemployed workers who are looking for better jobs, as well as 19,605 unemployed residents.**

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 44 percent will go 20 or more extra miles.

Labor Force	192,180
Employed	172,671
Underemployment rate	24.2%
Number of underemployed workers	41,769
Unemployed	19,605
Available labor pool	61,374

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. However, congestion is likely to be an issue in the near future as the region recovers from the recent recession.**

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 5 has lower educational attainment and population growth than the state.**

Of the region's age 25 and over population, 76.1 percent were high school graduates and 14.3 percent held bachelor's or higher degrees in 2005 to 2009. For the state as a whole, 80.8 percent were high school graduates and 21.5 percent held bachelor's or higher degrees.

The region's population growth from 1990 to 2000 amounted to 4.5 percent, compared to 10.1 percent for the state. The 2000 to 2010 population growth is 2.8 percent for Region 5 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 is currently growing at a lower rate than the labor force and population but is expected to grow faster in the long term.**
- **By sector and in decreasing order, the region's five largest employers are manufacturing, health care and social assistance, retail trade, educational services, and accommodation and food services.**

These five sectors provided 78,652 jobs, about 68 percent of the regional total, in the first quarter of 2010. Two of these leading employers had wages that were above the region's average monthly wage of \$2,771.

- **On average 6,234 jobs were created per quarter from second quarter 2001 to first quarter 2010; quarterly net job flows averaged 305.**

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, and computer fields and have a minimum salary of \$64,506. Four of these do not require bachelor's or higher degrees. Eight of the top 10 are health occupations.**
- **The top five high-demand occupations are:** Team Assemblers; Retail Salespersons; Combined Food Preparation and Serving Workers, Including Fast Food; Registered Nurses; and Elementary School Teachers, Except Special Education.
- **The top five fast-growing occupations are:**

Veterinary Technologists and Technicians
Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders
Occupational Therapist Assistants
Computer-Controlled Machine Tool Operators, Metal and Plastic
Plating and Coating Machine Setters, Operators, and Tenders, Metal and Plastic.

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

Veterinarians
Mechanical Engineers
Management Analysts

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

Pharmacists
Veterinarians
Mechanical Engineers
Management Analysts

- **The region has 24 jobs that are both fast-growing and in high-demand:**

Veterinary Technologists and Technicians
Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders
Computer-Controlled Machine Tool Operators, Metal and Plastic
Plating and Coating Machine Setters, Operators, and Tenders, Metal and Plastic
Pharmacy Technicians
Mental Health Counselors
Substance Abuse and Behavioral Disorder Counselors
Industrial Engineers
Personal and Home Care Aides
Home Health Aides
Medical Assistants
Network Systems and Data Communications Analysts
Veterinarians
Team Assemblers
Medical and Public Health Social Workers
Sales Representatives, Wholesale & Manufacturing, Technical & Scientific Products
Special Education Teachers, Preschool, Kindergarten, and Elementary School
Mechanical Engineers
Dental Hygienists
Management Analysts
Roofers
Special Education Teachers, Middle School
Tire Repairers and Changers
Physical Therapist Assistants

Implications for Workforce Development

- From a 2008 base, a worker surplus of 7,285 for 2018 and a worker shortfall of 2,497 for 2025 are expected. A focus on worker skills through 2018, after which both skills and expected shortfall must be priorities for 2025.

- Strategies to address these 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 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 763 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 14 percent, with each losing a minimum of 20 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 and scale of training needs to increase for basic and social skills. The pace of training must also rise for technical and complex problem solving skills.

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

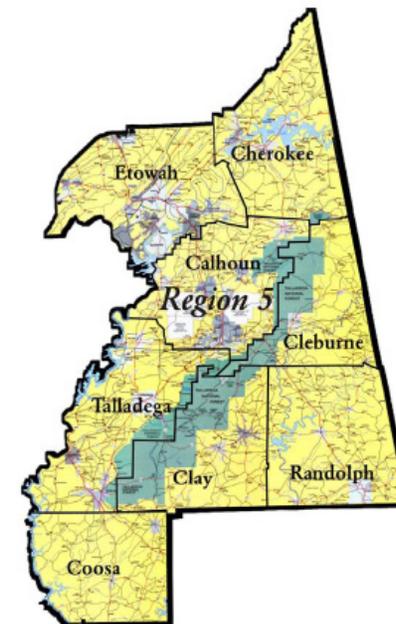
Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.

- 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 5 economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary even though two of the largest employment sectors pay higher than average wages.

- Workforce development and economic development can together build a strong and well-diversified Region 5 economy. Indeed, one cannot achieve success without the other.

State of the Workforce Report V: Region 5 2010 Summary



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