

Workforce Supply

- **Workforce Development Region 7 has a 56,151-strong available labor pool that includes 38,718 underemployed workers who are looking for better jobs, as well as 17,433 unemployed residents.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 49 percent are prepared for 20 or more minutes longer and 38 percent will go 20 or more extra miles.

Labor force	180,595
Employed	163,162
Underemployment rate	23.7%
Number of underemployed workers	38,718
Unemployed	17,433
Available labor pool	56,151

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.

- **The region's commute distance is up in 2010 from 2009 while the commute time remains the same. This implies congestion has eased but is still a challenge 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 7 has higher educational attainment and its population growth is slower than the state's.**

Of the region's age 25 and over population, 83 percent were high school graduates and nearly 25 percent held bachelor's or higher degrees in 2005 to 2009. For the state as a whole, about 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 12.0 percent, compared to 10.1 percent for the state. The 2000 to 2010 population growth was 7.3 percent for Region 7 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 expected to grow faster than the labor force and population in the long term.**
- **By sector and in decreasing order, the five largest employers in the region are public administration; health care and social assistance; manufacturing; retail trade; and educational services.**

These five sectors provided 93,424 jobs, about 57 percent of the regional total, in the first quarter of 2010. Two of these leading employers—manufacturing and public administration—had wages that were above the region's average monthly wage of \$3,016.

- **On average 8,513 jobs were created per quarter from second quarter 2001 to first quarter 2010; quarterly net job flows averaged 608.**

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 top 50 high-earning occupations are in management, health, computer, engineering, postsecondary education, and legal fields and have a minimum salary of \$77,084. Three of these do not require a bachelor's or higher degree. Eight of the top 10 are health occupations.**
- **The top five high-demand occupations are:** Team Assemblers; Customer Service Representatives; Registered Nurses; Security Guards; 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; Manicurists and Pedicurists; Industrial Engineers; and Network Systems and Data Communications Analysts.
- **Two occupations are high-earning, fast-growing, and in high-demand:** Computer Software Engineers, Applications Veterinarians

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

Personal Financial Advisors
Pharmacists
Lawyers
Architects, Except Landscape and Naval Veterinarians
Physical Therapists
Business Teachers, Postsecondary
Computer Software Engineers, Applications

- **The region has 26 jobs that are both fast-growing and in high-demand:**

Team Assemblers
Customer Service Representatives
Security Guards
Helpers--Production Workers
Home Health Aides
Pharmacy Technicians
Bill and Account Collectors
Medical Assistants
Network Systems and Data Communications Analysts
Machinists
Management Analysts
Fitness Trainers and Aerobics Instructors
Network and Computer Systems Administrators
Aircraft Structure, Surfaces, Rigging, & Systems Assemblers
Computer Software Engineers, Applications
Personal and Home Care Aides
Social and Human Service Assistants
Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders
Computer Software Engineers, Systems Software
Dental Assistants
Dental Hygienists
Industrial Engineers
Special Education Teachers, Preschool, Kindergarten, and Elementary School
Financial Analysts
Physical Therapist Assistants
Veterinarians
Veterinary Technologists and Technicians

Implications for Workforce Development

- From a 2008 base. A worker surplus of 3,215 by 2018 and a worker shortfall of 27,268 by 2025 are expected. Thus, 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 region as well as raise additional local (county and city) tax revenues. This is especially important, even for a region that has slightly higher population and labor force growth rates than the state.

Of the region's 819 occupations and occupational categories, 58 are expected to decline over the 2008 to 2018 period. Twenty occupations are expected to see a sharp decline of at least 5 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.

The pace of training needs to increase for technical, systems, and social 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 7 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 7 economy. Indeed, one cannot achieve success without the other.

State of the Workforce Report V: Region 7 2010 Summary



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