Workforce Supply

- **Workforce Development Region 8 has a 34,379-strong available labor pool that includes 23,937 underemployed workers who are looking for better jobs, as well as 10,442 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 26 percent will go 20 or more extra miles.

Labor force	111,317
Employed	100,874
Underemployment rate	23.7%
Number of underemployed workers	23,937
Unemployed	10,442
Available labor pool	**34,379**

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.

- **Average commute times are down in 2010 from 2009 but the distances travelled are up implying that congestion has eased in the region.**

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 8 has slightly lower educational attainment and faster population growth than the state.**

Of the region's age 25 and over population, 79.2 percent were high school graduates and 21.1 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 13.5 percent, compared to 10.1 percent for the state. The 2000 to 2010 population growth is 9.5 percent for Region 8 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 slower than the labor force and population but is expected to grow faster in the long term.**

- **By sector and in decreasing order, the five largest employers in the region are manufacturing; educational services; retail trade; health care and social assistance; and accommodation and food services.**

These five sectors provided 56,300 jobs, about 67 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 $2,629.

- **On average 4,595 jobs were created per quarter from second quarter 2001 to first quarter 2010; quarterly net job flows averaged 314.**

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 earn a minimum salary of $70,288 and are in management, health, postsecondary education, engineering, computer, and legal fields. Five of these do not require a bachelor's or higher degree. Four of the top 10 occupations are in postsecondary education, three are in management and two are in health.**

- **The top five high-demand occupations are:**
Team Assemblers; Registered Nurses; Machine Feeders and Offbearers; Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products; and Structural Metal Fabricators and Fitters.

- **The top five fast-growing occupations are:**
Computer Software Engineers, Systems Software; Industrial Engineering Technicians; Structural Metal Fabricators and Fitters; Cabinetmakers and Bench Carpenters; and Woodworking Machine Setters, Operators, and Tenders, Except Sawing.

- **Five occupations are high-earning, fast-growing, and in high-demand:**
Computer and Information Systems Managers
Management Analysts; Industrial Engineers;
Computer Software Engineers, Systems Software;
and Physical Therapists.

- **Seven jobs are high-earning and in high-demand:**
Computer and Information Systems Managers
Pharmacists
Management Analysts
Industrial Production Managers
Industrial Engineers
Computer Software Engineers, Systems Software
Physical Therapists.

- **The region has 25 jobs that are both fast-growing and in high-demand:**

Computer Software Engineers, Systems Software
Industrial Engineering Technicians
Structural Metal Fabricators and Fitters
Cabinetmakers and Bench Carpenters
Woodworking Machine Setters, Operators, and Tenders, Except Sawing
Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic
Industrial Engineers
Computer and Information Systems Managers
Logisticians
Occupational Therapists
Producers and Directors
Welders, Cutters, Solderers, and Brazers
Team Assemblers
Medical Assistants
Meat, Poultry, and Fish Cutters and Trimmers
Mechanical Engineers
Slaughterers and Meat Packers
Computer-Controlled Machine Tool Operators, Metal and Plastic
Management Analysts
Radiologic Technologists and Technicians
First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand
Physical Therapists
Training and Development Specialists
Pharmacy Technicians
Advertising Sales Agents.

Implications for Workforce Development

- **From a 2008 base, a worker surplus of 7,650 for 2018 and a worker shortfall of about 1,169 by 2025 are expected.**

  A focus on worker skills through 2018 and worker shortfall through 2025 must be of high priority. Worker shortfall in critical occupations will need to be addressed continuously.

- **Strategies to address skill needs and worker shortfall should aim at raising worker productivity and increasing 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 and reducing out-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 important, especially for a region that has population and labor force growth rates that are below expected demand.

  Of the region's 718 occupations and occupational categories, 33 are expected to decline over the 2008 to 2018 period. Twenty occupations are expected to see a sharp decline of at least 3 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 must increase for technical, systems, and two basic (science and mathematics) 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 8 economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary despite having three large employment sectors paying higher than average wages.

- **Workforce development and economic development can together build a strong and well-diversified Region 8 economy. Indeed, one cannot achieve success without the other.**

State of the Workforce Report V: Region 8 2010 Summary

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