

Workforce Supply

- **Workforce Development Region 1 has a 29,779-strong available labor pool that includes 21,729 underemployed workers who are looking for better jobs, as well as 8,050 unemployed residents.**

The underemployed are more willing to commute farther and longer for a better job compared to all employees. However, their willingness to commute farther and longer is about the same as that of all employees. For the one-way commute, 43.1 percent are prepared to travel for 20 or more minutes longer and 33.9 percent will go 20 or more extra miles. For all employees, 43.0 percent are prepared to travel for 20 or more minutes and 33.6 are ready for 20 or more miles.

Labor Force	116,046
Employed	107,996
Underemployment rate	20.1%
Number of underemployed workers	21,729
Unemployed	8,050
Available labor pool	29,779

Note: Based on March 2016 labor force data.

Source: Center for Business and Economic Research, The University of Alabama and Alabama Department of Labor.

- **Congestion worsened in Region 1 as commute time and distance went up in 2015 from 2014. The number of commuters increased in the region as well.**

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.**

	Region 1	AL
Population growth, 2010-2015	-0.5%	1.5%
<i>Educational attainment, age 25 and over</i>		
High School or higher	80.1%	83.7%
Bachelor's or higher degree	16.2%	23.1%

Source: Center for Business and Economic Research, The University of Alabama and U.S. Census Bureau.

Workforce Demand

- **Labor force and population growth will lag employment growth.**
- **By sector and in decreasing order, the five largest employers in the region provided 55,022 jobs (68.7 percent of the region's 80,060 total) in the first quarter of 2015.**

Industry	Employment	Share
Manufacturing	18,860	23.6%
Health Care & Social Assistance	10,930	13.7%
Retail Trade	10,860	13.6%
Educational Services	7,211	9.0%
Accommodation & Food Services	7,161	8.9%

Source: Alabama Department of Labor and U.S. Census Bureau

- **On average 3,969 jobs were created per quarter from second quarter 2001 to first quarter 2015; quarterly net job flows averaged about 270.**

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 mostly in management, health, and engineering fields and have a minimum mean salary of \$67,803. Only seven of these do not require bachelor's or higher degrees. Six of the top 10 high-earning occupations are in health and two are in management.**

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

Engine and Other Machine Assemblers
 Team Assemblers
 Customer Service Representatives
 Registered Nurses
 Welders, Cutters, Solderers, and Brazers

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

Engine and Other Machine Assemblers
 Mechanical Engineering Technicians
 Information Security Analysts
 Machinists
 Helpers—Brickmasons, Blockmasons,
 Stonemasons, and Tile and Marble Setters

- **The region has 17 jobs that are both fast-growing and in high-demand:**

Engine and Other Machine Assemblers
 Information Security Analysts
 Machinists
 Diagnostic Medical Sonographers
 Physical Therapist Assistants
 Helpers--Electricians
 Personal Care Aides
 Market Research Analysts and Marketing
 Specialists
 Home Health Aides
 Mechanical Engineers
 Management Analysts
 Medical Secretaries
 Dental Hygienists
 Welders, Cutters, Solderers, and Brazers
 Physical Therapists
 Chemical Engineers
 Maintenance Workers, Machinery

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

Information Security Analysts
 Mechanical Engineers
 Management Analysts
 Physical Therapists
 Chemical Engineers

Implications for Workforce Development

- From a 2012 base, worker shortfalls of about 11,400 in 2022 and 21,600 in 2030 are expected.

Change in 2012	2022	2030
Total population growth	1.3	0.9
Age 20-64 population growth	-5.0	-9.5
Job growth	8.3	15.9
Worker shortfall (percent)	13.3	25.4
Worker shortfall (number)	11,398	21,648

Source: Center for Business and Economic Research, The University of Alabama.

Worker skills and the expected shortfall must be of high priority through 2030. 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 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
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.

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 561 occupations, 42 are expected to decline over the 2012 to 2022 period. Twenty are expected to see a decline of at least two percent. 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.

- **Based on previous projections, 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 two 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 X: Region 1 2015 Summary



April 2016

Funding for this project was provided by:

Alabama Department of Economic and
Community Affairs
Alabama Department of Labor
Alabama Department of Postsecondary Education
Alabama Industrial Development Training
The University of Alabama