

## Workforce Supply

- **Region 2 has a 108,484-strong available labor pool that includes 86,101 underemployed workers who are looking for better jobs, as well as 22,383 unemployed residents.**

The underemployed are willing to commute for longer times and distances for a better job. For the one-way commute, about 40.0 percent are prepared to travel 20 or more minutes longer and 30.5 percent will go 20 or more extra miles.

Labor Force	395,276
Employed	372,893
Underemployment rate	23.1%
Number of underemployed workers	86,101
Unemployed	22,383
<b>Available labor pool</b>	<b>108,484</b>

Note: Based on March 2016 labor force data.

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

- **Commute times and distances were up in 2015 from 2014 implying that congestion worsened. With increased commuting in the region, congestion will remain an issue in the Huntsville metro area as population grows and the economy recovers.**

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 slightly better educational attainment and faster population growth compared to the state.**

	<b>Region 2</b>	<b>AL</b>
Population growth, 2010-2015	3.6%	1.7%
<i>Educational attainment, age 25 and over</i>		
High School or higher	83.5%	83.7%
Bachelor's or higher degree	25.7%	23.1%

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

## Workforce Demand

- **Employment growth is higher than labor force and population growth and is expected to remain that way in the long term.**
- **By sector, the five largest employers in the region provided 212,053 jobs (63.3 percent of the region's 334,980 total) in the first quarter of 2015.**

<b>Industry</b>	<b>Employment</b>	<b>Share</b>
Manufacturing	64,795	19.3%
Retail Trade	41,932	12.5%
Health Care and Social Assistance	39,954	11.9%
Professional, Scientific, and Technical Services	35,793	10.7%
Accommodation & Food Services	29,579	8.8%

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

- **On average about 15,546 jobs were created per quarter from second quarter 2001 to first quarter 2015; quarterly net job flows averaged about 1,724.**

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 \$93,175. Only one of these does not require a bachelor's or higher degree. Eight of the top 10 are health care occupations.**

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

Registered Nurses  
 Computer Systems Analysts  
 Licensed Practical and Licensed Vocational Nurses  
 Construction Laborers  
 Personal Care Aides

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

Orthotists and Prosthetists  
 Forging Machine Setters, Operators, and Tenders, Metal and Plastic

Computer Numerically Controlled Machine Tool Programmers, Metal and Plastic  
 Occupational Therapy Assistants  
 Health Educators

- **Three occupations are both high-demand and high-earning:**

Software Developers, Applications  
 Software Developers, Systems Software  
 Computer and Information Systems Managers

- **The region has 11 jobs that are both high-demand and fast-growing:**

Occupational Therapy Assistants  
 Diagnostic Medical Sonographers  
 Information Security Analysts  
 Physical Therapist Assistants  
 Personal Care Aides  
 Nursing Instructors and Teachers, Postsecondary  
 Home Health Aides  
 Dental Hygienists  
 Physical Therapists  
 Medical Secretaries  
 Forging Machine Setters, Operators, and Tenders, Metal and Plastic

- **None of the occupations are high-earning, fast-growing, and in high-demand.**

## Implications for Workforce Development

- From a 2012 base, worker shortfalls of about 18,700 and 39,400 are projected for 2022 and 2030 respectively.

Change from 2012	2022	2030
Total population growth	10.6	18.6
Age 20-64 population growth	6.7	10.4
Job growth	12.1	21.9
Worker shortfall (percent)	5.5	11.5
Worker shortfall (number)	18,712	39,406

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

This requires a focus on worker skills and the expected shortages 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 increasing labor force participation, encouraging in-migration, 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.

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 701 occupations, 68 are expected to decline over the 2012 to 2022 period. Twenty occupations are expected to see a sharp decline of at least nine 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 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.

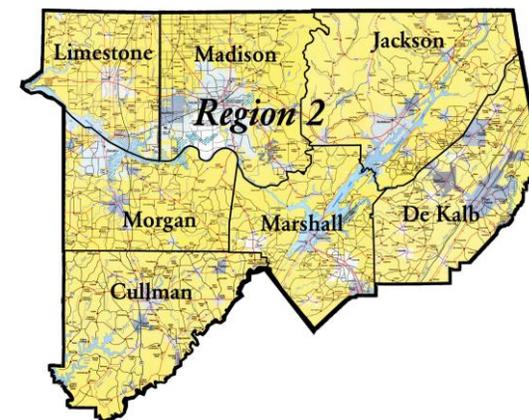
Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.

- **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.

- **Building a strong and well-diversified regional economy requires a combination of workforce development and economic development initiatives.**

## State of the Workforce Report X: Region 2 2015 Summary



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