

Workforce Supply

- **Workforce Development Region 3 has a 42,783-strong available labor pool that includes 34,384 underemployed workers who are looking for better jobs, as well as 8,399 unemployed residents.**

The underemployed are willing to commute farther and longer for a better job. However, their willingness to commute farther for a better job is slightly lower than that of all workers. For the one-way commute, 40.0 percent are prepared to travel for 20 or more minutes longer and 31.3 percent will go 20 or more extra miles. In comparison 40.2 percent of all workers will go 20 or more minutes and 32.0 percent will travel 20 or more extra miles.

Labor Force	136,984
Employed	128,585
Underemployment rate	26.7%
Number of underemployed workers	34,384
Unemployed	8,399
Available labor pool	42,783

Note: Based on March 2016 labor force data.

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

- **More people are traveling to work in Region 3 although congestion eased in as both commute time and distance were down in 2015 from 2014.**

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 3 has similar educational attainment but a higher population growth than the state.**

	Region 3	AL
Population growth, 2010-2015	2.6%	1.7%
<i>Educational attainment, age 25 and over</i>		
High School or higher	83.7%	83.7%
Bachelor's or higher degree	21.9%	23.1%

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

Workforce Demand

- **Employment growth is expected to exceed the labor force and population growth in the long term.**
- **By sector and in decreasing order, the five largest employers in the region provided 68,334 jobs (64.5 percent of the region's 105,886 total) in the first quarter of 2015.**

Industry	Employment	Share
Manufacturing	18,006	17.0%
Health Care and Social Assistance	14,279	13.5%
Educational Services	13,670	12.9%
Retail Trade	12,026	11.4%
Accommodation & Food Services	10,353	9.8%

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

- **On average, 4,775 jobs were created per quarter from second quarter 2001 to first quarter 2015; quarterly net job flows averaged 506.**

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 have a minimum salary of \$74,393 and are in management, health, engineering, architecture, postsecondary education, and computer fields. Only two of these do not require a bachelor's or higher degree. Seven of the top 10 are in health occupations and three are in management.**

- **The top five high-demand occupations are:** Team Assemblers; Registered Nurses; First-Line Supervisors of Production and Operating Workers; General and Operations Managers; and Construction Laborers

- **The top five fast-growing occupations are:** Personal Financial Advisors; Logisticians; Industrial Engineering Technicians; Helpers—Brickmasons, Blockmasons, Stonemasons, and Tile and Marble Setters; and Team Assemblers

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

Pharmacists
 General and Operations Managers
 Medical and Health Services Managers
 Construction Managers
 Software Developers, Applications
 Nurse Practitioners
 Physical Therapists
 Architects, Except Landscape and Naval
 Industrial Engineers
 Computer Systems Analysts
 Electrical Engineers

- **The region has 15 jobs that are both high-demand and fast-growing:**

Personal Financial Advisors
 Logisticians
 Industrial Engineering Technicians
 Team Assemblers
 Nursing Instructors and Teachers, Postsecondary
 Industrial Engineers
 Computer Systems Analysts
 Marriage and Family Therapists
 Surgical Technologists
 Software Developers, Applications
 Diagnostic Medical Sonographers
 Industrial Machinery Mechanics
 Personal Care Aides
 Architects, Except Landscape and Naval
 Meeting, Convention, and Event Planners

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

Industrial Engineers
 Computer Systems Analysts
 Software Developers, Applications
 Architects, Except Landscape and Naval

Implications for Workforce Development

- From a base of 2012, worker shortfalls of about 12,600 for 2022 and 21,600 for 2030 are expected.

Change from 2012	2022	2030
Total population growth	7.6	11.3
Age 20-64 population growth	2.8	3.6
Job growth	14.2	23.3
Worker shortfall	11.4	19.7
Worker shortfall (number)	12,575	21,649

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

Thus, worker skills and the expected worker shortfalls must be priorities through 2022 and 2030, with emphasis on the long term. Worker shortfalls for critical occupations will also 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.

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 relatively higher population and labor force growth rates than the state.

Of the region's 638 occupations, 53 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 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 resource management 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 3 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 3 economy. Indeed, one cannot achieve success without the other.**

State of the Workforce Report X: Region 3 2015 Summary



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