

Workforce Supply

- Workforce Development Region 7 has a 56,289-strong available labor pool that includes 45,328 underemployed workers who are looking for better jobs, as well as 10,961 unemployed residents.

The underemployed are willing to commute longer distances for a better job. For the one-way commute, 48.9 percent are prepared to travel for 20 or more minutes longer and 37.2 percent will go 20 or more extra miles.

Labor Force	184,036
Employed	173,075
Underemployment rate	26.2%
Number of underemployed workers	45,328
Unemployed	10,961
Available labor pool	56,289

Note: Based on March 2016 labor force data.

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

- The region's commute time and distance were down in 2015 from 2014 implying that congestion eased. However, as the region's economy recovers from the last economic recession, congestion is likely to worsen.

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 but a somewhat declining population compared to the state.

	Region 7	AL
Population growth, 2010-2015	-0.4%	1.7%
<i>Educational attainment, age 25 and over</i>		
High School or higher	84.5%	83.7%
Bachelor's or higher degree	26.0%	23.1%

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

Workforce Demand

- Employment is expected to grow faster than the labor force and population both in the medium and long term.
- By sector and in decreasing order, the five largest employers in the region provided 96,451 jobs (57.7 percent of the region's 167,163 total) in the first quarter of 2015.

Industry	Employment	Share
Manufacturing	21,464	12.8%
Public Administration	21,045	12.6%
Health Care and Social Assistance	19,901	11.9%
Retail Trade	18,967	11.3%
Accommodation and Food Services	15,074	9.0%

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

- On average 7,429 jobs were created per quarter from second quarter 2001 to first quarter 2015; quarterly net job flows averaged 602.

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, architecture, and engineering fields and have a minimum average salary of \$79,572 per annum. Only three of these do not require a bachelor's or higher degree. Nine of the top 10 are health occupations.
- The top five high-demand occupations are: Team Assemblers; Registered Nurses; General and Operations Managers; Personal Care Aides; and Licensed Practical and Licensed Vocational Nurses.
- The top five fast-growing occupations are: Personal Care Aides; Physical Therapist Assistants; Diagnostic Medical Sonographers; Home Health Aides; and Physical Therapists.

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

General and Operations Managers
Construction Managers
Software Developers, Applications
Software Developers, Systems Software
Architects, Except Landscape and Naval
Nurse Anesthetists
Nurse Practitioners
Personal Financial Advisors

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

Personal Care Aides
Physical Therapist Assistants
Diagnostic Medical Sonographers
Home Health Aides
Physical Therapists
Occupational Therapists
Medical Secretaries
Health Specialties Teachers, Postsecondary
Emergency Medical Technicians and Paramedics
Nurse Practitioners
Dental Hygienists
Healthcare Social Workers
Computer Network Support Specialists
Nursing Instructors and Teachers, Postsecondary
Computer Numerically Controlled Machine Tool Programmers, Metal and Plastic

- Only one of the selected occupations is high-earning, fast-growing, and in high-demand:

Nurse Practitioners

Implications for Workforce Development

- From a 2012 base, worker shortfalls of about 15,000 and 32,300 are expected for 2022 and 2030 respectively.

Change from 2012	2022	2030
Total population growth	6.2	11.0
Age 20-64 population growth	2.7	4.0
Job growth	11.1	21.9
Worker shortfall (percent)	8.3	17.9
Worker shortfall (number)	15,001	32,268

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

Thus, worker skills and the expected shortfall must be priorities through 2030, with heavy emphasis on the shortfalls in the long term. Worker shortfalls for critical occupations will also need to be addressed.

- **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 its 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 about average population growth rates compared to the state.

Of the region's 662 occupations, 46 are expected to decline over the 2012 to 2022 period. Twenty occupations are expected to see a sharp decline of at least seven percent over the period, 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.**

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