

Workforce Supply

- **Workforce Development Region 8 has a 36,692-strong available labor pool that includes 29,591 underemployed workers who are looking for better jobs, as well as 7,101 unemployed residents.**

The underemployed are willing to commute for longer times for a better job but not for longer distances. For the one-way commute, about 39.0 percent are prepared for 20 or more minutes longer and 28 percent will go 20 or more extra miles.

Labor Force	124,016
Employed	116,915
Underemployment rate	25.3%
Number of underemployed workers	29,591
Unemployed	7,101
Available labor pool	36,692

Note: Based on March 2016 labor force data.

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

- **Average commute distances and times were up in 2015 from 2014 implying that congestion worsened in the region.**

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 faster population growth but similar educational attainment compared to Alabama.**

	Region 8	AL
Population growth, 2010-2015	8.0%	1.7%
<i>Educational attainment, age 25 and over</i>		
High School or higher	83.3%	83.7%
Bachelor's or higher degree	24.4%	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 slightly faster than labor force and population in the long term.**
- **By sector, the five largest employers in the region provided 53,261 jobs (67.4 percent of the region's 79,011 total) in the first quarter of 2015.**

Industry	Employment	Share
Educational Services	12,592	15.9%
Manufacturing	12,583	15.9%
Retail Trade	9,752	12.3%
Health Care and Social Assistance	9,425	11.9%
Accommodation and Food Services	8,909	11.3%

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

- **On average 3,683 jobs were created per quarter from second quarter 2001 to first quarter 2015; quarterly net job flows averaged 426.**

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 mean salary of \$71,301 and are in management, health, engineering, computer, postsecondary education, and science fields. Only four of these do not require a bachelor's or higher degree. Five of the top 10 occupations are in health, two are in postsecondary education and another two are in social sciences and related fields.**

- **The top five high-demand occupations are:** Registered Nurses; Team Assemblers; Helpers--Production Workers; General and Operations Managers; and Licensed Practical and Licensed Vocational Nurses.

- **The top five fast-growing occupations are:** Aircraft Mechanics and Service Technicians; Health Educators; Personal Care Aides; Social and Community Service Managers; and Market Research Analysts and Marketing Specialists.

- **Fifteen occupations are high-earning and in high-demand:**

General and Operations Managers
 Health Specialties Teachers, Postsecondary
 Pharmacists
 Computer and Information Systems Managers
 Construction Managers
 Medical and Health Services Managers
 Management Analysts
 Computer Programmers
 Electrical Engineers
 Industrial Engineers
 Nursing Instructors and Teachers, Postsecondary
 Occupational Therapists
 Physical Therapists
 Speech-Language Pathologists
 Nurse Practitioners

- **The region has twelve occupations that are both fast-growing and in high-demand:**

Health Educators
 Personal Care Aides
 Social and Community Service Managers
 Market Research Analysts and Marketing Specialists
 Occupational Therapists
 Physical Therapist Assistants
 Dental Hygienists
 Mental Health and Substance Abuse Social Workers
 Health Specialties Teachers, Postsecondary
 Nurse Practitioners
 Computer Programmers
 Diagnostic Medical Sonographers

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

Occupational Therapists
 Health Specialties Teachers, Postsecondary
 Nurse Practitioners
 Computer Programmers

Implications for Workforce Development

- From a 2012 base, worker shortfalls of about 9,500 for 2022 and 15,000 for 2030 are expected.

Change from 2012	2022	2030
Total population growth	12.1	19.5
Age 20-64 population growth	6.4	10.4
Job growth	17.8	28.3
Worker shortfall (percent)	11.3	17.9
Worker shortfall (number)	9,451	14,950

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 the long term worker shortfall should aim at raising worker productivity and increasing labor force participation.**

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 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.

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, even for a region that has high population and labor force growth rates.

Of the region's 570 occupations, 30 are expected to decline over the 2012 to 2022 period. Twenty occupations are expected to see a sharp decline of at least six 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 X: Region 8 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