

## Workforce Supply

- **Workforce Development Region 5 has a 50,411-strong available labor pool that includes 38,764 underemployed workers who are looking for better jobs, as well as 11,647 unemployed residents.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 44.2 percent are prepared to travel for 20 or more minutes longer and 31.4 percent will go 20 or more extra miles.

Labor Force	180,407
Employed	168,760
Underemployment rate	23.0%
Number of underemployed workers	38,764
Unemployed	11,647
<b>Available labor pool</b>	<b>50,411</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.

- **Commuting increased in the region and congestion worsened as commute times and distances were up in 2015 from 2014. Congestion is likely to be an issue in the future as the region recovers from the last recession.**

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 5 has lower educational attainment and population growth than the state.**

	<b>Region 5</b>	<b>AL</b>
Population growth, 2010-2015	-1.8%	1.7%
<i>Educational attainment, age 25 and over</i>		
High School or higher	79.7%	83.7%
Bachelor's or higher degree	14.6%	23.1%

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

## Workforce Demand

- **Employment is currently low but is expected to grow in the long term. Unfortunately, the labor force and prime working population are expected to decline in the long-term.**
- **By sector and in decreasing order, the five largest employers in the region provided 90,917 jobs (67.5 percent of the region's 134,677 total) in the first quarter of 2015.**

<b>Industry</b>	<b>Employment</b>	<b>Share</b>
Manufacturing	29,598	22.0%
Health Care and Social Assistance	21,047	15.6%
Retail Trade	16,262	12.1%
Educational Services	12,680	9.4%
Accommodation & Food Services	11,330	8.4%

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

- **On average 6,178 jobs were created per quarter from second quarter 2001 to first quarter 2015; quarterly net job flows averaged 404.**

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 mainly in health, management, engineering, and computer fields and have a minimum salary of \$67,656. Seven of the top 10 are health occupations.**
- **The top five fast-growing occupations are:** Diagnostic Medical Sonographers; Occupational Therapy Assistants; Medical Equipment Repairers; Personal Care Aides; and Home Health Aides
- **The top five high-demand occupations are:** Team Assemblers; Registered Nurses; Heavy and Tractor-Trailer Truck Drivers; Licensed Practical and Licensed Vocational Nurses; and Home Health Aides

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

Pharmacists  
General and Operations Managers  
Nurse Practitioners  
Physical Therapists  
Construction Managers  
Management Analysts  
Medical and Health Services Managers  
Occupational Therapists  
Industrial Engineers

- **The region has 16 jobs that are both fast-growing and in high-demand:**

Diagnostic Medical Sonographers  
Occupational Therapy Assistants  
Medical Equipment Repairers  
Personal Care Aides  
Home Health Aides  
Physical Therapist Assistants  
Nursing Instructors and Teachers, Postsecondary  
Interpreters and Translators  
Computer-Controlled Machine Tool Operators,  
Metal and Plastic  
Medical Secretaries  
Physical Therapists  
Welding, Soldering, and Brazing Machine Setters,  
Operators, and Tenders  
Nurse Practitioners  
Funeral Service Managers  
Market Research Analysts and Marketing Specialists  
Crane and Tower Operators

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

Physical Therapists  
Nurse Practitioners

## Implications for Workforce Development

- From a 2012 base, worker shortfalls of about 18,700 for 2022 and 36,600 for 2030 are expected.

Change from 2012	2022	2030
Total population growth	2.5	2.9
Age 20-64 population growth	-2.2	-4.9
Job growth	11.0	20.9
Worker shortfall	13.1	25.8
Worker shortfall (number)	18,674	36,642

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 these 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 especially important for a region that has low population and labor force growth rates.

Of the region's 623 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 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 and scale of training need to increase for basic and social skills. The pace of training must also rise for technical and complex problem solving skills.

Ideally, all high school graduates should possess basic skills so that postsecondary and higher education can focus on other and more complex skills.

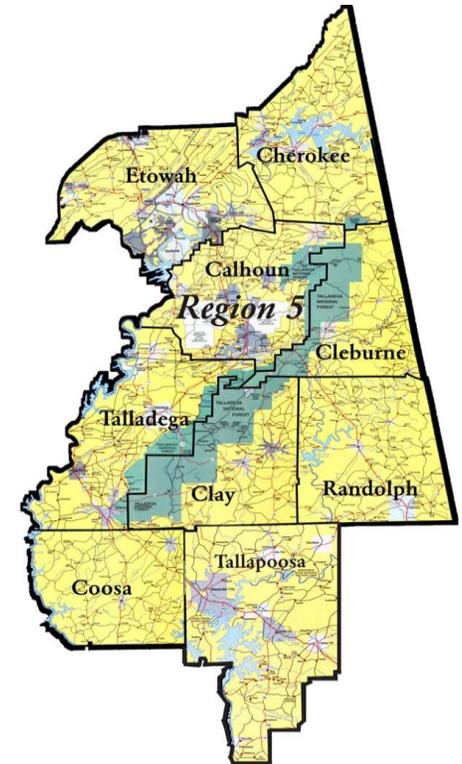
Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.

- **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 5 economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary even though three of the largest employment sectors pays higher than average wages.

- **Workforce development and economic development can together build a strong and well-diversified Region 5 economy. Indeed, one cannot achieve success without the other.**

# State of the Workforce Report X: Region 5 2015 Summary



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