

Workforce Supply

- **With unemployment at 5.3 percent, Alabama has a 628,473-strong available labor pool that includes 513,397 underemployed workers seeking better jobs.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 45.1 percent are prepared to travel 20 or more minutes longer and 34.3 percent will go 20 or more extra miles.

Labor Force	2,151,559
Employed	2,036,483
Underemployment rate	25.2%
Number of underemployed workers	513,397
Unemployed	115,076
Available labor pool	628,473

Note: Based on April 2015 labor force data.

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

- **Commute time rose and distance dropped in 2014 from 2013, implying that congestion worsened. Congestion is more likely to continue worsening as the state's economy recovers and more people travel to work.**

Continuous maintenance and development of the state's transportation infrastructure and systems is essential because impeding the mobility of workers and the flow of goods can slow economic development and recovery.

- **Alabama has lower educational attainment, labor force participation, and population growth than the nation.**

	AL	US
Population growth, 2010-2014	1.5%	3.3%
Labor force participation, 2014	56.4%	62.9%
<i>Educational attainment, age 25 and over</i>		
High School or higher	83.1%	86.0%
Bachelor's or higher degree	22.6%	28.8%

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

Workforce Demand

- **Employment growth is expected to be faster than the labor force and population in the long term.**
- **By sector and in decreasing order, the five largest employers in the state provided 1,063,112 jobs (58.8 percent of the state 1,807,460 total) in the second quarter of 2014.**

Industry	Employment	Share
Manufacturing	254,575	14.1%
Health Care & Social Assistance	242,009	13.3%
Retail Trade	230,206	12.7%
Accommodation & Food Services	169,235	9.4%
Educational Services	167,087	9.2%

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

These leading employers are not the highest paying sectors; only manufacturing had wages that were above the state monthly average of \$3,204.

- **On average about 86,000 jobs were created per quarter from second quarter 2001 to second quarter 2014; quarterly net job flows averaged 7,595.**

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 mostly in health, management, engineering, postsecondary education, and science fields and have a minimum salary of \$93,757. Two of these do not require bachelor's or higher degrees. Nine of the top 10 are health care occupations.**

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

Registered Nurses
Team Assemblers
General and Operations Managers
Licensed Practical and Licensed Vocational Nurses
Personal Care Aides

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

Engine and Other Machine Assemblers
Occupational Therapy Assistants
Personal Care Aides
Diagnostic Medical Sonographers
Helpers—Brickmasons, Blockmasons, Stonemasons, and Tile and Marble Setters

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

General and Operations Managers
Pharmacists
Software Developers, Systems Software
Health Specialties Teachers, Postsecondary
Medical and Health Services Managers
Computer and Information Systems Managers
Biological Science Teachers, Postsecondary
Personal Financial Advisors
Anesthesiologists

- **The state has 10 jobs that are both fast-growing and in high-demand:**

Personal Care Aides
Home Health Aides
Medical Secretaries
Engine and Other Machine Assemblers
Physical Therapists
Physical Therapist Assistants
Health Specialties Teachers, Postsecondary
Biological Science Teachers, Postsecondary
Diagnostic Medical Sonographers
Physician Assistants

- **Two occupations—Health Specialties Teachers, Postsecondary and Biological Science Teachers, Postsecondary—are high-earning, fast-growing, and high-demand occupation.**

Implications for Workforce Development

- From a 2012 base, worker shortfalls of about 147,000 and 216,000 for 2022 and 2030 are expected.

	2022	2030
Total population growth	6.9	11.4
Age 20-64 population growth	2.0	2.6
Job growth	9.8	14.1
Worker shortfall (percent)	7.8	11.4
Worker shortfall (number)	147,460	215,844

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

Worker skills and the expected shortfall must be priorities through 2030 with heavy emphasis on skills in the near 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:

- Improving education and education funding
- Continuing and enhancing programs to assess, retrain, and place dislocated workers
- Focusing on hard-to-serve populations (e.g. out-of-school youth) and lowering the high school dropout rate
- Using economic opportunities to attract new residents
- Facilitating in-commuting
- 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.

The higher incomes that come with improved educational attainment and work skills would help increase personal income and raise additional state and local (county and city) tax revenue. This is especially important for a state that has low population and labor force growth rates.

Of the state's 794 total occupations, 114 are expected to decline over the 2012 to 2022 period. Twenty occupations are expected to see a sharp decline of at least 11 percent, with each losing a minimum of 110 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.

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

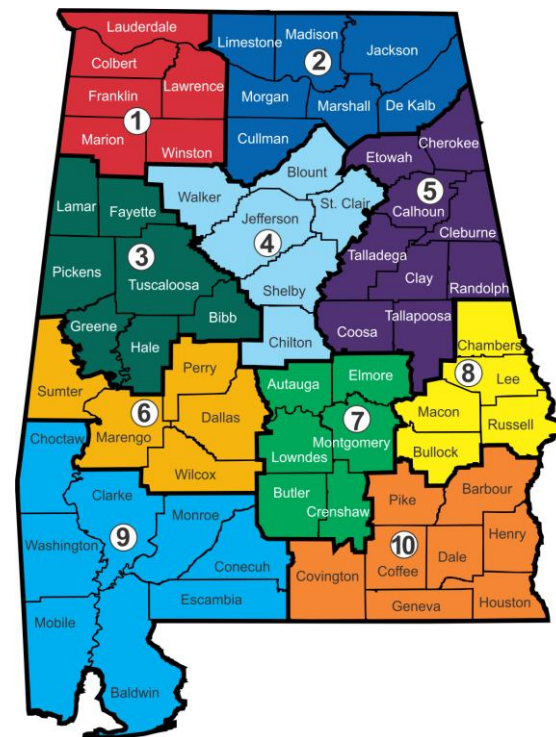
Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.

- Based on previous projections, the pace of training needs to increase for technical and systems skills, while the scale of training should be raised for basic and social skills.**
- 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 Alabama economy by retaining, expanding, and attracting more high-wage providing industries. This is necessary because the largest employment sectors, except for manufacturing, do not pay high average wages.

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

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