

Workforce Supply

- **With unemployment at 5.7 percent, Alabama has a 579,098-strong available labor pool that includes 458,791 underemployed workers seeking better jobs.**

The underemployed are willing to commute farther and longer for a better job. For the one-way commute, 44.0 percent are prepared for 20 or more minutes longer and 32.5 percent will go 20 or more extra miles.

Labor Force	2,110,725
Employed	1,990,418
Underemployment rate	23.1%
Number of underemployed workers	458,791
Unemployed	120,307
Available labor pool	579,098

Note: Based on December 2013 labor force data.

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

- **Both commute time and distance dropped slightly in 2013 from 2012, implying that congestion may have eased somewhat. Congestion is more likely to worsen 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, 2000-2010	7.5%	9.7%
Labor force participation, 2013	56.8%	63.3%
<i>Educational attainment, age 25 and over</i>		
High School or higher	82.6%	85.7%
Bachelor's or higher degree	22.3%	28.5%

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 1,032,943 jobs (58.3 percent of the state 1,773,010 total) in the fourth quarter of 2012.**

Industry	Employment	Share
Manufacturing	249,318	14.1%
Health Care & Social Assistance	233,245	13.2%
Retail Trade	226,040	12.8%
Educational Services	166,598	9.4%
Accommodation & Food Services	157,742	8.9%

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 \$3,534.

- **On average about 87,000 jobs were created per quarter from second quarter 2001 to fourth quarter 2012; quarterly net job flows averaged 6,473.**

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, legal, management, engineering, postsecondary education, computer, and science fields and have a minimum salary of \$90,490. Four of these do not require bachelor's or higher degrees. Nine of the top 10 are health occupations.**

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

Registered Nurses
Home Health Aides
Licensed Practical and Licensed Vocational Nurses
Medical Assistants
Personal and Home Care Aides

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

Personal and Home Care Aides
Home Health Aides
Occupational Therapist Assistants
Physical Therapist Assistants
Metal-Refining Furnace Operators and Tenders.

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

Anesthesiologists
Surgeons
Dentists, General
Family and General Practitioners
Pharmacists
Computer and Information Systems Managers
Personal Financial Advisors
Software Developers, Systems Software

- **The state has 11 jobs that are both fast-growing and in high-demand:**

Personal and Home Care Aides
Home Health Aides
Physical Therapist Assistants
Diagnostic Medical Sonographers
Physical Therapists
Medical Secretaries
Dental Hygienists
Medical and Public Health Social Workers
Software Developers, Systems Software
Occupational Therapists
Software Developers, Applications

- **One occupation—Software Developers, Systems Software—is high-earning, fast-growing, and high-demand occupation.**

Implications for Workforce Development

- From a 2010 base, worker shortfalls of about 115,000 and 219,000 for 2020 and 2030 are expected.

	2020	2030
Total population growth	6.7	12.2
Age 20-64 population growth	2.7	3.2
Job growth	8.8	14.9
Worker shortfall (percent)	6.1	11.7
Worker shortfall (number)	114,533	218,904

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 785 total occupations, 61 are expected to decline over the 2010 to 2020 period. Twenty occupations are expected to see a sharp decline of at least 10 percent, with each losing a minimum of 40 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.

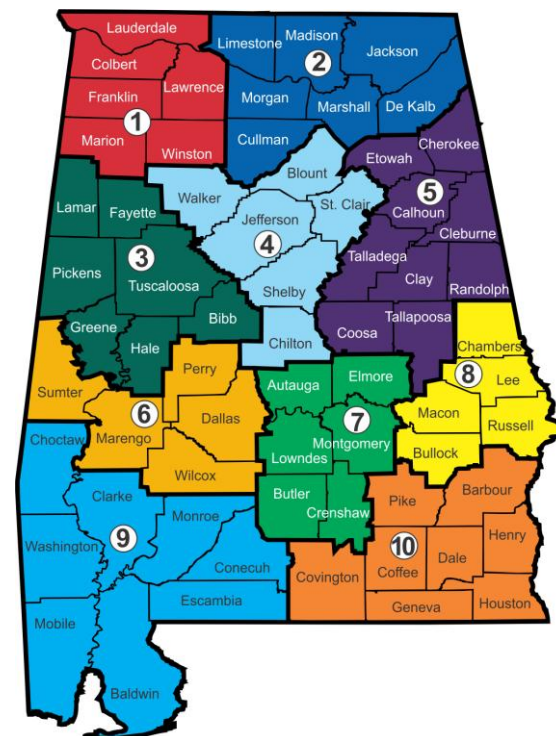
Employers should be an integral part of planning for training as they can help identify future skill needs and any existing gaps.

- 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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