

ALABAMA PRIORITIES

Background

In late 2017, the Public Affairs Research Council of Alabama (PARCA) surveyed Alabama voters to determine their thoughts about the general direction of the state and the issues that most concern them. PARCA partnered with Samford University to survey policy professionals from across the state including academics, journalists, business and nonprofit leaders, and lobbyists. Their responses provided a list of 17 critical issues facing Alabama. PARCA partnered with USA Polling at the University of South Alabama to ask registered voters about these 17 issues. The voters' responses generated the Top Ten list of voter priorities. Details about the survey and its methodology can be found in the full [Alabama Priorities](#) report at www.parcAlabama.org

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1. K - 12 Education
2. Healthcare
3. Government Corruption and Ethics
4. Mental Health and Substance Abuse
5. Poverty and Homelessness
6. Jobs and the Economy
7. Crime and Public Safety
8. Job Training and Workforce Development
9. Improving the State's Image
10. Tax Reform

Key Findings

- *Voters broadly agree* on the critical issues facing the state.
- *Voters are not polarized* along traditional political, ideological, racial, or generational lines. There is a significant gap between the priorities of experts and the priorities of voters.
- Policymakers have an opportunity to *inform and educate voters* on critical and systemic challenges facing the state.
- Policymakers have an *opportunity to respond* to immediate, often highly personal issues that concern voters.
- Elected officials and candidates have *an opportunity to show leadership* and to *build broad coalitions* to address Alabama's most pressing challenges.

In the following months, PARCA will produce summary briefs on each of the top ten priorities chosen by Alabama voters. Each brief will answer four critical questions: what is the issue, why it matters, how Alabama compares, and what options are available to Alabama policymakers.

#8: Job Training & Workforce Development

What is the Issue?

Job training and workforce development is the 8th most important issue for Alabama voters with 51% of voters indicating they were very concerned about the issue. Job training and workforce development averaged 3.9 on a 1 – 5 scale where 1 is “not at all concerned” and 5 is “very concerned.”

The workforce development system is a diverse mix of public and private organizations working to prepare people for the workforce and help those already in the workforce to develop new skills. Workforce development efforts range from organizing large-scale hiring fairs, to designing and delivering industry and employer-specific training, to helping a single mother secure childcare while she takes GED classes.

The workforce development system serves job seekers and employees in need of developing and maintaining marketable skills, as well as *employers*, in need of a sufficient supply of future employees with the necessary skills. The system involves *educators* tasked with teaching basic skills to industry- and employer-specific training. It involves communities focused on talent attraction and retention. And it involves *government agencies* tasked with managing public funds and providing general workforce development oversight and coordination.

Taken together, the diverse components of the state’s workforce system work to provide a ready supply of labor, a healthy tax base, and a stable economy.

Why Does Workforce Development Matter?

In previous generations, a basic high school education was sufficient for entry into the workforce. Today, an increasing share of entry-level jobs require a level of training beyond a high school diploma. To generate a prepared workforce, there is continued need to improve preparation for and access to two and four-year colleges. However, the demand for advanced training is also being addressed by K-12 schools,

where students are increasingly presented with options for earning industry-recognized credentials while still in high school. Certificate programs are being expanded for new graduates and current workers.

Alabama has enjoyed an unprecedented run of industrial recruitment and new job creation. According to the Alabama Department of Commerce, the state has added or announced 138,197 new jobs between 2010 and 2017. In that same time, employment in Alabama has grown from 1,893,169 to 2,081,176 – an increase of 188,007, and the unemployment rate has fallen to 3.8% (December 2017). Recent monthly unemployment rates for the state have hovered between 3.7 and 4.1%, the lowest numbers since at least 1976. Despite the surging demand for labor, Alabama's population growth has been sluggish, creating a tight labor market and a pending shortage of workers.

How Does Alabama Compare?

Size of the Workforce

Between 2010 and 2017, Alabama's net population growth was 2%. Alabama's population is projected to surpass 5 million by 2025.¹ Yet, the [Pew Research Center](#) projects it is unlikely that the Millennial labor force will reach the size of the Baby Boomer labor force.¹⁴ The Generation X and Millennial generations are smaller in number than the Baby Boomer generation that is now reaching retirement age. In fact, 2017 Census estimates show that 51% of the working-age population (25 – 64) are older than 45. With the youngest Baby Boomers reaching age 65 in 2029, Alabama's job growth is projected to surpass growth in its labor force. The University of Alabama's Center for Business and Economic Development Research (CBER), project a workforce shortage in Alabama as high as 225,320 workers by 2024 with conditions continuing to worsen through 2040.²

¹ Fry, Richard. (2018, April). *Millennials are the largest generation in the U.S. labor force*. Retrieved April 30, 2018, from <http://www.pewresearch.org/fact-tank/2018/04/11/millennials-largest-generation-us-labor-force/>

² Center for Business and Economic Research, The University of Alabama. (2017, May). *State of Workforce Report XI: Alabama*, Retrieved May 15, 2018, from <http://www2.labor.alabama.gov/workforcedev/WorkforceReports/Alabama.pdf>

Skills of the Workforce

By 2020, 65% of all jobs in the United States will require education and training beyond high school.³ As of 2017, only 43% of Alabama's workforce has completed postsecondary education.⁴ Data on workers with in-demand credentials and training other than a post-secondary degree is unreliable, but the experience of business and industry leaders suggest that the number of workers with these credentials is insufficient.

Alabama workers face a gap in needed skills.

Alabama's employers voice the need for improvement in employees' skills, including basic and soft skills, such as communications and punctuality, needed to properly function in a work environment. A May 2017 CBER report defined six different skill types essential in the modern workforce: basic skills, complex problem-solving, resource management, social, systems, and technical skills.⁵ Already, many employers report that simply finding dependable workers with basic soft skills is an increasing challenge.

These challenges are by no means unique to Alabama. However, comparing workforces across states is complicated and ultimately unhelpful.

The Workforce System

State agencies, including the departments of Commerce, Education, Human Resources, Labor, the Community College System, and four-year institutions, distribute funds for workforce development from at least 18 different federal programs managed by three different federal agencies. The state agencies support, collaborate, or direct regional and local efforts, including regional workforce councils, workforce development boards, county and municipal governments, and nonprofits.

This diffuse network is tasked with serving the current and future workforce; including youth aged 14 – 24, adults in need of basic skills or with physical, mental, or financial obstacles, and workers looking for work or additional skills.

³ *Ibid.*

⁴ AlabamaWorks! (2018, April). *2018 Alabama Success Plus Report*. Retrieved April 30, 2018, from https://alabamaworks.com/wp-content/uploads/2018.04.30_SuccessPlus.pdf

⁵ Center for Business and Economic Research, The University of Alabama. (2017, May). *State of Workforce Report XI: Alabama*, Retrieved May 15, 2018, from <http://www2.labor.alabama.gov/workforcedev/WorkforceReports/Alabama.pdf>

This basic structure is in place across the United States. However, the goals, requirements, funding, and schedules of these programs do not necessarily align.

What Can Alabama Do?

Redesigning the Workforce System

Recognizing the sometimes conflicting goals and requirements of the existing workforce system, Alabama has been at work realigning its overarching workforce structure. The Alabama Department of Commerce now includes a Workforce Development Division, composed of the Alabama Industrial Development Training (AIDT), the Alabama Workforce Council (AWC), and seven regional workforce councils representing all 67 counties. The role of those components is as follows:

AIDT: Alabama's workforce training agency assists new and expanding companies with recruitment, assessment and training of potential employees, development and production of job-related training materials, provision of training facilities, and delivery of job-specific services for pre-employment and on-the-job training.⁵

AWC: The Council is composed of business executives from industries and organizations across the state. It facilitates collaboration between government and industry to help Alabama develop a sustainable and skilled workforce. In 2018, the AWC secured \$55 million in federal funds for workforce training. These funds are designated to develop workforce training starting with colleges that pair with local industries to meet the demands of the current and future workforce. The AWC allows workforce and education resources to meet specific needs identified by business and industry exclusive to each region.

Regional Workforce Councils: Alabama has replaced its former structure of three workforce regions, with seven regions, each with its own workforce council. Each council supports its local economy by creating a strategic plan and workforce development system. Within each region, local boards are appointed to implement local strategy and to oversee the distribution of state and federal funds.

With the change in structure comes a greater role for business and industry in creating and executing workforce strategy. Previously, educators guided the conversation. Under the current structure, business and industry have a greater voice.

Alabama's new workforce structure is still in its infancy. There are, however, encouraging signs. With seven regions compared to the previous three, decisions and initiatives can be targeted with greater precision. This structure also creates an unanticipated, but hopefully, productive culture of innovation and competition, with each of the seven regions looking to both learn from and compete with each other.

The work of one workforce region, West Alabama Works, is highlighted in the Business Education Alliance's 2018 report *Leadership Matters*, produced by PARCA with guidance from A+ Education Partnership. State leaders can learn from successes in West Alabama Works and the other six regional councils and work to replicate and expand strategies that prove effective.

Focus on Soft Skills

Responding to the identified need for a workforce better equipped with the basic knowledge of how to function in the workplace, Alabama public schools have added career preparedness as a one-credit course required for graduation. Students cover topics including personal decision making, academic planning, career development, and other social and financial skills.

Adding to that, in 2018, Alabama's Department of Education began seeking applications for Alabama's Industrial Development Training's (AIDT) High School Direct Ready to Work pilot program. Ready to Work's curriculum instructs students on workplace skills as well as expected behavior in the workplace, including the importance of punctuality and teamwork. Through High School Ready to Work, students can earn an "Alabama Certified Worker" certificate widely recognized by industry in Alabama. In addition, those who complete the program earn a tuition waiver for one college course at an Alabama Community College.

Attainment Goals

State and local leaders are beginning to speak the language of attainment – the need for workers to attain the necessary skills and credentials for the jobs and careers they seek. Credentials include traditional two-year, four-year, and post-graduate degrees, but also industry-recognized certification and training earned before, alongside, or instead of traditional academic degrees.

In 2018, the state set a goal to increase attainment. Alabama's *Success Plus* plan lays out strategies to help meet the state's goal of adding 500,000 highly skilled workers statewide by 2025.

Local areas are responding to the call. In Mobile, the Mobile Area Education Foundation has set a local goal of adding [75,000 new credentialed workers to its workforce by 2030.](#)

In central Alabama, the [Bold Goals Coalition of Central Alabama](#) has established a goal of adding 125,000 highly skilled workers by 2025.

The new language and measurable goals provide a means to measure progress.

Additional Opportunities

The National Skills Coalition, a national group working to increase the skills of American workers, has articulated four broad policy areas that can expand workforce training: Integrated Education and Training (IET), stackable credentials, job-driven financial aid, and greater alignment of public and private projects.

Alabama has made positive steps in some of these areas, notably through the Ready to Work program and new stackable credentials provided by community colleges, but in no area has the state achieved the recommendations of the National Skills Coalition.

Additionally, state and local leaders can explore options, policies, and procedures to expand and stabilize the workforce, including strategies that:

- Improve retention of older workers;
- Increase the number of career coaches in Alabama schools;
- Expand educational opportunities in lower-income communities;
- Develop support systems for special populations, including veterans and workers with disabilities;
- Improve data sharing between state agencies;
- Align workforce systems with support systems, such as TANF, SNAP, and childcare;
- Remove employment barriers for ex-offenders;
- Expand Alabama's Ready to Work program, currently offered in 75 locations; and
- Expand efforts to provide soft skills training.

With the demand for 225,000 additional workers by 2024 and an educational attainment goal of 60%, Alabama must be innovative to meet its workforce demand.

Conclusion

The value of developing a healthy workforce is vital for Alabama's economy and its people. Employed individuals with skills matched to available jobs are more likely to live productive lives that contribute positively to their local communities.

Conversely, an unstable workforce fails to support local industry and economic development, and is often associated with more crime, increased costs for healthcare, homelessness, family stress, substance abuse, and other factors associated with poverty. A strategically aligned workforce development system is vital for the success of individuals and Alabama businesses.