

Before the recession, Alabama enjoyed below-average unemployment rates. Though state unemployment remained slightly lower than the national average during the recession, Alabama struggled to recover, posting a peak of 10.4 percent unemployment from September to December 2009.

Industry in Alabama

Two sectors contributed the most to real state GDP as of 2010: government and public education services and manufacturing (both at 16.3%). Government and public education in Alabama employed 18.9 percent of the workforce in 2010 and is expected to grow by 11.9 percent through 2020. The top employers in the sector are the University of Alabama at Birmingham, the Mobile County Public School System, the U.S. Postal Service, and major military bases.

Alabama's manufacturing sector, dominated by metal/natural resources, motor vehicle and paper companies, did not do as well. Its real output declined by 8.1 percent between 2007 and 2010, and the future promises more of the same. In 2010, it employed 13.4 percent of state workers, but by 2020, it will employ 12 percent; the total number of jobs will grow, but not by much compared to overall national or state job growth. This sector currently includes one of the state's top employers: the Pilgrim's.

Other major state employment sectors are wholesale and retail trade services (15.6%), professional and business services (11.4%), and healthcare services (9.1%). Most of the other largest employers in Alabama are in these industries: the University of Alabama at Birmingham Health System, Huntsville Hospital, the Alabama Power Company, Regions Bank, and Wal-Mart.

The recession has heightened the need for economic diversification and innovation to supplement the less-robust traditional sectors. Currently, the state is focusing on aviation, biofuels, alternative energy components, and information technology.⁷⁵ Though STEM jobs in Alabama comprised only 4.4 percent of the workforce in 2008, jobs in this cluster are expected to increase by 17.6 percent by 2020. Projected growth in STEM is supported by the state's growing companies. According to Inc.com, 55 of the nation's fastest-growing companies are headquartered in Alabama, including two companies that provide online information security services: eSolution Architects and Pikewerks.

Alabama's aerospace industry has a long history and is strongest in Huntsville, home to the NASA Marshall Space Flight Center. There are close to 300 companies working in aerospace, defense, aviation, and maintenance, refurbishment and overhaul. The industry also attracts government grants and contracts, boosting state revenue. For instance, in 2008 Alabama received an estimated \$8.5 billion in Department of Defense contracts.⁷⁶

75. State of the Workforce Report IV: Alabama 2009

76. <http://www.amazingalabama.com/key-industry-targets-aerospace.html>

Occupations in Alabama

As with most states in this region, blue collar (28.9%), sales and office support (26.5%), and food and personal services jobs (15.2%) make up the largest occupational clusters. These three are expected to grow by a respective 12 percent, 13 percent, and 19 percent over the decade. Healthcare occupations, which made up 7.9 percent of the workforce in 2010, are expected to increase by 23 percent. The extremely rapid projected growth for STEM and healthcare, compared to the less education-intensive clusters, means that future job opportunities in Alabama will increasingly require postsecondary education.

53% OF JOBS IN ALABAMA WILL REQUIRE POSTSECONDARY EDUCATION AND TRAINING IN 2020 (DOWN FROM 55% IN 2010)

Table 17: Snapshot of Education Demand for Total Jobs in Alabama (2010 And 2020)

	2010	2020	% in 2020
High school or less	913,800	1,126,200	47%
Some college	460,700	543,800	23%
Associate's	170,900	178,000	7%
Bachelor's	314,600	347,600	15%
Graduate	151,200	178,500	8%
Total	2,011,200	2,374,100	100%

By 2020, 53 percent of all jobs in Alabama will require some postsecondary training.

Between 2010 and 2020, the state will add 719,900 job vacancies both from new job opportunities and from vacancies due to retirement. Of these vacancies, 378,400 will favor candidates with postsecondary qualifications, while 341,500 will favor high school graduates and high school dropouts.

Alabama ranks 15th in the South in the proportion of 2020 jobs requiring a bachelor's degree, 11th in the proportion requiring a graduate degree, and 3rd in jobs for high school dropouts.