

ECONOMIC UPDATE FEBRUARY 2023

Jacksonville State University
Center for Economic Development and Business Research

Welcome to the Jacksonville State University Economic Update for February 2023

Exploring the Relationship Between Civilian Labor Force and Available Labor Pool: 2019 and 2022

This issue examines the civilian labor force in the 15-county area of CEDBR Region and explores data for 2019 and 2022 by individual county and the region collectively. The civilian labor force consists of employed workers and unemployed workers. The key aspect for an individual not working to be considered as an unemployed worker in the civilian labor involves whether that individual is actively seeking employment and willing and able to work. Individuals who do not meet these criteria are not considered as part of the civilian labor force. A summation of the number of workers employed and the number unemployed equals the civilian labor force for that area.

Further, other workers may be actively employed in the civilian labor force but are not able to secure employment in an occupation proportional to their education or experience. These underemployed workers are included as an employed part of the labor force but may have requisite skills that qualify them beyond the level of employment that they currently possess. This category of worker represents an important component of workforce development initiatives in addressing incentives where abilities and skills are not being utilized to a level of potential.

The analysis expresses the number of civilian labor force participants and percent change between periods. Monthly unemployment trends are identified statewide and by each county in the region for each period. The number of labor force participants who are underemployed is tallied, with respective changes between the periods identified at the county level. A pool of available labor is identified for workforce needs in each of the respective counties within the region from workers who are unemployed or underemployed.[1]

[1] Bureau of Labor Statistics (BLS). The civilian labor force refers to employed or unemployed individuals, who are not active-duty military personnel, institutionalized individuals, agricultural workers, and federal government employees. Retirees, handicapped, and discouraged workers are also not part of the civilian labor force.



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The civilian labor force in the region includes 364,241 participants in December 2022 and 364,640 in December 2019, an 0.11% decrease of 399 fewer participants within that period. Changes may be explained by economic conditions that, in turn, lead individuals away from labor force participation and are, therefore, not counted in total labor force data. Individual counties experienced swings in participation levels as Calhoun, Cherokee, Etowah, and Tallapoosa lost participants over the three year period, with a decrease of over 3500 participants in Etowah County the largest decline. The other eleven counties in the region gained participants. St. Clair County gained 899 participants, while Cleburne County experienced the largest percentage increase from a smaller labor force base.

CEDBR Region Civilian Labor Force: 2019 and 2022

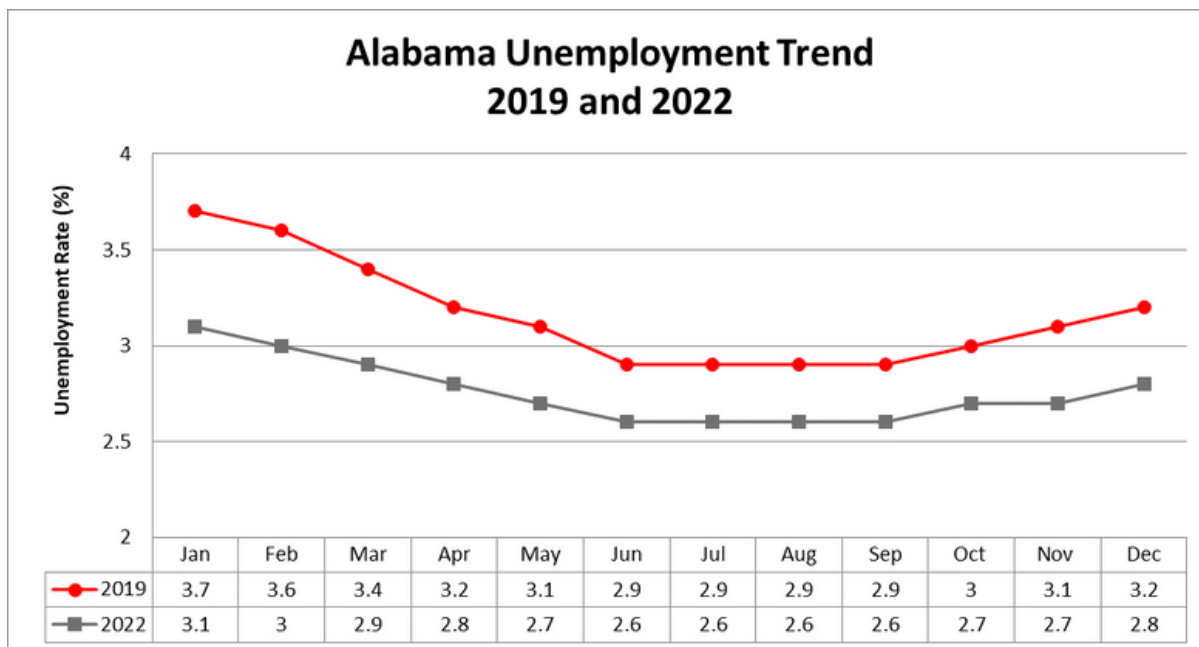
County	Civilian Labor Force December 2019	Civilian Labor Force December 2022	Percent change 2019 to 2022	Change in Number of Participants 2019 to 2022
Blount	25,579	25,880	1.18%	301
Calhoun	46,622	46,442	-0.39%	(180)
Chambers	15,981	16,008	0.17%	27
Cherokee	11,866	11,521	-2.91%	(345)
Clay	6,179	6,449	4.37%	270
Cleburne	5,843	6,316	8.10%	473
Coosa	4,515	4,566	1.13%	51
DeKalb	31,544	31,970	1.35%	426
Etowah	42,716	39,204	-8.22%	(3,512)
Jackson	23,290	23,437	0.63%	147
Marshall	44,877	45,678	1.78%	801
Randolph	9,604	9,821	2.26%	217
St. Clair	41,409	42,308	2.17%	899
Talladega	36,017	36,648	1.75%	631
Tallapoosa	18,598	17,993	-3.25%	(605)
Regional Analysis	364,640	364,241	-0.11%	(399)

Data Sources:

Alabama Department of Labor - Labor Market Information Division

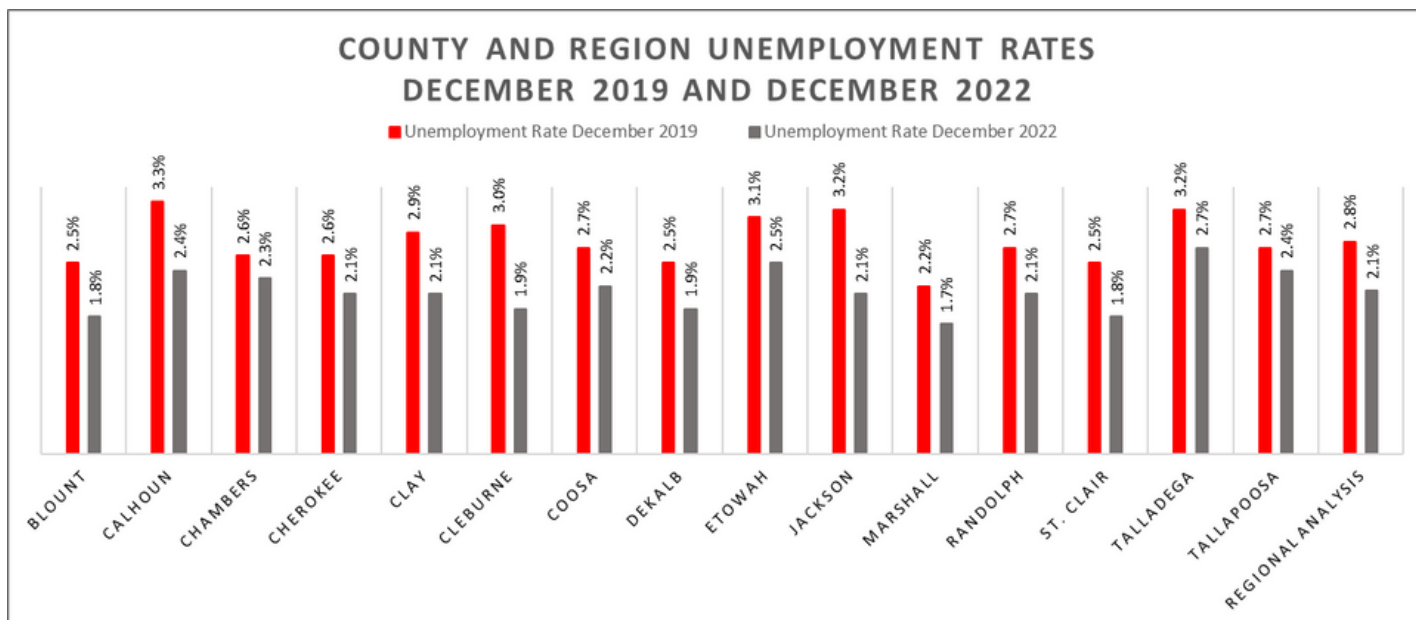
U.S. Bureau of Labor Statistics - Local Area Unemployment Statistics (LAUS)

With civilian labor force consisting of the summation of individuals who are employed and individuals actively seeking employment, but are otherwise not working or unemployed, unemployment rate is a measure of the viability of labor markets. For the state of Alabama for 2019 and 2022, inclusive, the unemployment rate has been less with seasonal declines in summer months and increases within fall and winter. A smaller unemployment rate for each month in 2022 relative to 2019 explains in part the relative strength of the labor market after pandemic disruptions and suggests that labor market robustness is evident.



Data Sources: U.S. Bureau of Labor Statistics

A similar pattern for unemployment exists by county and the CEDBR region with unemployment rate lower in 2022 compared to 2019. Unemployment rate was highest in Calhoun County in 2019 at 3.3% and highest in Talladega County in 2022 at a rate of 2.7%. The largest percent improvements in unemployment rate were in Cleburne and Jackson counties, with each declining by 1.1%. The smallest improvement in unemployment rate was in Chambers and Tallapoosa counties, with the rate marginally downward by 0.3% in those counties.



Data Sources:

Alabama Department of Labor - Labor Market Information Division

U.S. Bureau of Labor Statistics - Local Area Unemployment Statistics (LAUS)

A significant issue with labor markets surrounds underemployment, an alternate measure of the civilian labor force activity where worker potential is not fully utilized, and corresponding production capability is thwarted. From 2019 to 2022 the number of unemployed workers declined sharply by more than 25% in each county and the region. A decline in the number of underemployed workers is positive from the aspect that workers are finding employment in occupations commensurate with their skillset, but potentially negative if occurring as a result of diminished labor force activity at all levels of participation, including those workers that are underemployed. This effect would be explained by workers dropping out of the labor force as a result of underemployment.

The underemployment rate in the CEDBR region has improved from 2019 to 2022. In the region for 2019, there were 76,574 individuals underemployed within a civilian labor force comprising 364,640 for an underemployment rate of 21%. In 2022, the civilian labor force had declined slightly but the number of underemployed had dropped sharply to 54,596 workers. For 2022 this represents an underemployment rate of 15%. These numbers compare favorably to statewide levels of underemployment of approximately 22.4%^[2]

CEDBR Region Civilian Labor Force: 2019 and 2022

County	Underemployed Individuals December 2019	Underemployed Individuals December 2022	Percent Change December 2019 to December 2022
Blount	5,372	3,882	-27.73%
Calhoun	9,791	6,966	-28.85%
Chambers	3,356	2,401	-28.45%
Cherokee	2,492	1,688	-32.27%
Clay	1,298	967	-25.45%
Cleburne	1,227	947	-22.79%
Coosa	948	685	-27.76%
DeKalb	6,624	4,796	-27.61%
Etowah	8,970	5,881	-34.44%
Jackson	4,891	3,516	-28.12%
Marshall	9,424	6,852	-27.30%
Randolph	2,017	1,473	-26.96%
St. Clair	8,696	6,346	-27.02%
Talladega	7,564	5,497	-27.32%
Tallapoosa	3,906	2,699	-30.90%
Regional Analysis	76,574	54,596	-28.70%

Data Sources:

Alabama Department of Labor - Labor Market Information Division

U.S. Bureau of Labor Statistics - Local Area Unemployment Statistics (LAUS)

[2] From State of Workforce Report XIV (page 8). November 2020 <https://www2.labor.alabama.gov/workforcedev/workforcereports/alabama.pdf>

Economic developers and existing stakeholders can benefit from exploring the supply of available labor. Workers who are unemployed and underemployed represent the supply of available labor. This supply only includes those workers who are either active in the labor force in looking for employment or would be willing to change jobs if the other job potentially fits their aptitude and skills to a greater extent than current job where they are underemployed.

The available labor pool for the region declined from 86,747 in 2019 to 62,382 in 2022, representing a decrease of 28.1%. While variations are expected, a significant decline in the available pool of labor is consistent with a low unemployment rate and tight labor markets, as most labor force participants are either employed within an occupation supported by their level of ability, skill, and interests, or currently otherwise not actively seeking employment.

Calhoun County has the largest available labor pool of 11,329 and 8,081 for both 2019 and 2022, respectively, of all region counties. In 2019 both Etowah and Marshall counties had an available labor pool of more than 10,000, while Marshall and St. Clair counties each had an available labor pool of more than 7,000 in 2022. These counties represent the largest available labor pool in addition to Calhoun County for those periods indicated. Coosa County was the only county in the region with a 2022 labor pool of less than 1000.

Available Labor Pool for 2019 and 2022

County	Available Labor Pool December 2019	Available Labor Pool December 2022
Blount	6,011	4,348
Calhoun	11,329	8,081
Chambers	3,772	2,769
Cherokee	2,800	1,924
Clay	1,477	1,103
Cleburne	1,402	1,067
Coosa	1,070	785
DeKalb	7,413	5,403
Etowah	10,295	6,861
Jackson	5,636	4,008
Marshall	10,411	7,628
Randolph	2,276	1,679
St. Clair	9,731	7,108
Talladega	8,716	6,487
Tallapoosa	4,408	3,131
Regional Analysis	86,747	62,382

Data Sources:

Alabama Department of Labor - Labor Market Information Division

U.S. Bureau of Labor Statistics - Local Area Unemployment Statistics (LAUS)

Thank you very much for your support of the JSU Economic Update. We look forward to providing additional, timely economic data to assist you with business and economic planning. Please contact us at the JSU Center for Economic Development and Business Research whenever we may assist you.

Sincerely,



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