



Industry and Postsecondary Education Partnerships Build A Strong Workforce

Transparent pathways increase access and success in postsecondary education and produce skilled workers for Alabama

Educating students for the future workforce

By 2020, 62 percent of our state's jobs will require postsecondary education, and a little over half of that (36 percent) will require at least some college, an associate's degree, or a postsecondary vocational certificate.¹ If current trends continue, only 53 percent of Alabamians will have acquired that level of education, resulting in a skills gap of nine percent.² Alabama's current attainment rate is 38 percent, and the state is working toward reaching an attainment goal of 65 percent by 2025.³

Since 2008, Alabama has improved its overall rate of educational attainment by 6.3 percentage points, but more progress is needed to ensure Alabama's workers are competitive and businesses can find skilled workers.⁴ There are currently over 28,000 job openings in Alabama waiting to be filled by qualified workers.⁵ Of these current job

“ It is critical that business and industry partner with postsecondary education in order to enlarge the pool of skilled workers. This is especially important for the manufacturing sector.

William Canary
President and CEO, Business Council of Alabama

openings, over 5,000 require some college or a vocational certificate, over 5,000 require a credential, close to 7,000 require a bachelor's, over 7,000 require a master's, and thousands more require further education (e.g. PhD or MD).⁶ Across our state, postsecondary institutions are providing the education credentials and skills that prepare students for careers in Alabama's top-performing industries.

Alabama's Manufacturing Industry is Booming

From 2010 to 2016, exports of manufactured goods grew by 52 percent, with vehicles ranking as the number one export to over 75 countries.⁷ In 2015, manufactured goods consisted of 34 percent of total exports to Canada and Mexico and made up 17 percent (\$35 billion) of all manufacturing output.⁸ Alabama's manufacturing industry is home to over 3,700 companies (2014) and 262,000 employees (2016), with average annual earnings of \$64,000 (2015).⁹

Our state has also seen an expansion of the aerospace and defense industries, with over 300 aerospace companies from more than 30 different countries.¹⁰ To keep these industries going strong, the Business Council of Alabama (BCA) and the National Association of Manufacturers (NAM), in conjunction with Alabama Aerospace Industry Association (AAIA) and the Alabama Automotive Manufacturers Association (AAMA) have come together to support federal and state policies that will keep the manufacturing industry healthy in years to come.¹¹

Expanding Postsecondary Opportunities for Students

In 2016, the Bureau of Economic Analysis ranked Alabama 27th for its \$206 billion GDP.¹² BCA and Alabama's Chamber of

Commerce recognize Alabama is a great state to do business in and also understand the importance of educational success and its impact on filling jobs.¹³ BCA has supported educational improvement initiatives such as the Business Education Alliance (BEA) to improve the educational outcomes of public school students "by combining the workforce needs of business with the best and most innovative ideas in public education."¹⁴

A 2017 state-by-state analysis of good paying jobs found that from 1991-2015, Alabama lost 19,000 blue-collar non-bachelor's-degree (BA) good jobs, but gained 64,000 skilled-services jobs for workers without BAs.¹⁵ In the study, a "good job" was defined as minimum earnings of \$35,000 for a full-time worker age 45 and under, and \$45,000 if age 45 and older.¹⁶ In 2015, the median earnings for non-BA workers in good jobs was \$56,000, with 59 percent (223,000) employed in blue-collar industries and 41 percent (153,000) employed in skilled-services industries.¹⁷ Alabama's manufacturing industry consists of 25 percent (95,000) non-BA good jobs, and 43 percent non-BA workers with good jobs, with median earnings of \$58,000.¹⁸

Conclusion

Alabama's business leaders are united in their concerns regarding their state's future workforce. Our manufacturers face a looming gap between available positions and workers with the skills to fill those positions. Public policy must play a key role in ensuring student success by providing affordable educational pathways to all potential students, targeting financial support to encourage both institutions and students to focus on success, and reducing or eliminating barriers that prevent timely progression to credentials. Partnerships between businesses and postsecondary institutions are an important factor in building a strong workforce.



Case Study: The Alabama Community College System (ACCS) and the Manufacturing Skills Standards Council (MSSC) Team Up to Provide Manufacturing Credentials

Last fall, Governor Kay Ivey announced the Alabama Community College System (ACCS) will be providing nationally-recognized and industry-led manufacturing credentials at all of its colleges in spring 2018 as a result of a partnership with the Manufacturing Skills Standards Council (MSSC). MSSC is an industry-led training, assessment, and certification system focused on teaching the core skills and knowledge needed by front-line production and material handling workers.

Students will have the opportunity to become a Certified Production Technician (CPT) or a Certified Logistics Technician (CLT) through courses for credit towards a degree or not-for-credit and with an opportunity for dual enrollment to all high school students. The courses will train students in manufacturing processes and production, safety, quality, etc. This partnership makes Alabama the first state in the nation to offer MSSC credentials statewide.

When discussing the partnership, ACCS Chancellor Jimmy Baker said, “Manufacturing is more technology-driven than ever before and we’re excited to partner with MSSC to ensure that Alabama students are receiving the certifications and trainings they need to fill the high-tech, high-demand manufacturing jobs of the future.”

Endnotes

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- 5 Alabama Job Link. (n.d.). Alabama Works! <https://joblink.alabama.gov/ada/r/>
- 6 Alabama Job Link. (n.d.). Alabama Works! Job Search. <https://joblink.alabama.gov/ada/r/search/jobs>
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- 8 Ibid.
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- 11 Ibid.
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- 14 Ibid.
- 15 Carnevale, A.P. Strohl, J., and Ridley, N. (2017). Good Jobs That Pay Without A BA. A State-By-State Analysis. Center on Education and the Workforce, Georgetown University. <https://goodjobsdata.org/wp-content/uploads/Good-Jobs-States.pdf>
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- 19 Beyerle, D. (2017). Alabama Highlights Manufacturing Day with Manufacturing Credentials at Every Community College. Business Council of Alabama. <https://www.bcatoday.org/alabama-highlights-manufacturing-day-with-manufacturing-credentials-at-every-community-college/>
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