

## Expert: Alabama needs to focus on workforce to raise its economic development prospects

Michael Tomberlin | [mtomberlin@al.com](mailto:mtomberlin@al.com) By Michael Tomberlin | [mtomberlin@al.com](mailto:mtomberlin@al.com)

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POINT CLEAR, Alabama – From population figures to the number of people with a doctorate degree, site selectors are taking a more detailed look at an area's workforce when deciding where the invest millions of dollars in a new factory or office.

That was the main message from Jeff Forsythe, principal with Greenville, S.C.-based **McCallum Sweeney Consulting** site selection firm, when he addressed Alabama economic developers at the **Economic Development Association of Alabama's** Summer 2014 Conference.

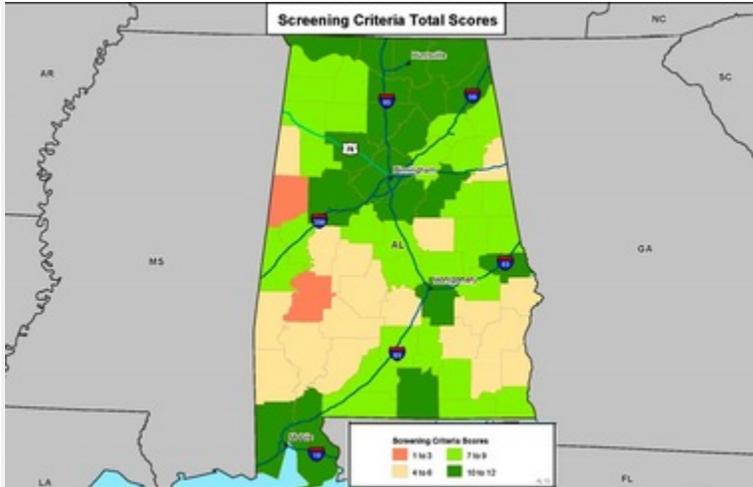
Among the Alabama projects McCallum Sweeney worked are the \$100 million **Dollar General** distribution center in Bessemer and the expansion of the **Austal** shipyard in Mobile.

Forsythe said there is a workforce component to every phase of the site selection process and at any point a major workforce issue can get a site cut from consideration.

Among the workforce criteria a company typically finds favorable is a large pool of industrial workers to draw from and wages that the company feels like it can pay and remain competitive.

Among the workforce criteria that can turn off a company is the proximity to labor unions – particularly those related to their industry – and the proximity to competitors.

Forsythe said McCallum Sweeney has its own scoring system based on different workforce criteria identified for the company.



**View full size**An example of a total rating of Alabama communities based on an example of the McCallum Sweeney rating system. (contributed)

For example, an area that has an average manufacturing wage of less than \$18 per hour would score it two points. An average wage of \$18-22 per hour could get a site one point and wages averaging more than \$22 per hour would be worth zero points.

Similar scoring would be given to size of manufacturing labor force, percent of workforce with a high school degree or bachelor's degree, proximity to labor unions with membership larger than 250 members and any number of similar criteria.

All of those factored together would give a site a total score which would be used in evaluating a site. The criteria and the scoring could change, depending on the factors the prospective project cites as most valuable.

"Businesses cannot endure long-term lack of access to required skill sets," Forsythe said.

Forsythe said even incentives are tied to workforce – with states like Alabama using AIDT for worker recruitment, screening and training. Even in the final project agreement, the number of workers and their compensation are key factors the company has to commit to in order to receive incentives.

With companies using greater scrutiny when it comes to selecting sites based on workforce, Forsythe said there are things Alabama communities need to be doing to boost their rating.

For instance, taking a closer look at growing the STEM (Science, Technology, Engineering and Math) workforce can go a long way. Also, as the military downsizes, those communities near military bases need to make a concerted effort to add those highly-skilled workers to their civilian workforce, he said.

Forsythe said young people need to be steered towards advanced manufacturing jobs rather than all of them pursuing professional degrees. Today's manufacturing jobs are highly skilled and can have better salaries and benefits than many white-collar jobs, he said.

While recruiting workers with some specialized skills from a regional or national labor pool could help in some cases, Forsythe said having those workers already there obviously is an advantage.

"You must grow the skilled workforce locally," by working with educators and partnering with post-secondary schools, Forsythe said.

Keeping those workers is also a challenge.

"You have to not only be able to entice them to come, you've got to convince them to stay," Forsythe said.