Alabama’s Prime-Age Employment Gap: Addressing Persistent Poverty in the Black Belt

by Stephen G. Katsinas, Nathaniel J. Bray, Garrett A. Till, Kim R. Jacks, Noel E. Keeney, Moses O. Ogunniran

“Today, over 2.1 million people are employed in Alabama, that’s the most in state history, y’all. We recently announced the unemployment rate in Alabama remains at a record low of 2.2 percent, the lowest in the southeast. Let me say that again. We have hit Alabama’s lowest-ever unemployment rate, record-low unemployment, and record job growth. I’ve actually had reporters ask me how we’re going to fill all these new jobs. All this good news about low unemployment rate is something we should be proud of. Well, while Alabama has one of the lowest unemployment rates in the country, we rank at the other end of the scale in labor force participation. Approximately 50,000 Alabamians are not looking for a job. This ranks us near the bottom nationally in labor force participation. We’ve got to work on getting 50,000 folks who aren’t looking for jobs, get them off their fannies, get them looking for jobs because there are jobs to be had.”

-Governor Kay Ivey, May 2023

Alabama’s leaders can rightly boast about the state’s historically low unemployment rate, but statewide averages mask important geographic differences. Over the past three years, The University of Alabama’s Education Policy Center (UA-EPC) has published 15 issue briefs on issues and challenges related to Alabama’s Black Belt. Our work when UA-EPC, at the invitation of Governor Ivey, coordinated a July 2019 team from Educational Testing Service to visit the Black Belt and assess what might be done. An extensive research report was drafted, but just prior to its release came the COVID-19 shutdown, and publication was put on hold.

A year later, partnering with Al.com, Alabama’s largest online news provider, we published nine issue briefs in Black Belt 2020. Interest from media and policymakers led to private donors supporting publication of six
new issue briefs in Black Belt 2022, again with Al.com, and UA’s Center for Business and Economic Research. The topics include declining population and school enrollment, persistent unemployment, low labor force participation, early childhood education access, defining the Black Belt, internet disparities, rural manufacturing, COVID-19, STEM education, educational attainment, poverty and housing, infrastructure, and community leadership profiles.²

Two key themes have emerged. First, statewide averages mask great differences between Alabama’s 24 Black Belt counties and its 43 non-Black Belt Counties. A second key theme is that without the 24 Black Belt counties, the rest of the state, which includes metro Alabama (Birmingham, Mobile, Montgomery, and Huntsville), looks much like the nation.

Taken together, our studies suggest a different strategy to target the Black Belt’s persistent poverty, space, and rurality challenges is needed to reconnect adults in their prime earning years to the workforce. We begin by describing what the Prime Age Employment Gap (PAEG) is, followed PAEG data for the state and the Black Belt, and how it fits in the context of persistent poverty, single parent families, and incarcerated populations.

Labor Force Participation: Unmasking the Black Belt

Figure 1 shows Alabama’s June 2023 statewide unemployment rate of 2.2% is well below the national average of 3.5%, while unemployment in the Black Belt was above the national average of 3.6%. Low unemployment rates mask large numbers of Alabamians who simply are not counted because they’ve quit applying for jobs. This is what Governor Ivey refers to, and why the PAEG metric is getting greater attention.
The record low unemployment rates do not mean all Alabamians are working. Alabama’s statewide labor force participation rate is sadly 6 percentage points below the national average of 63%. This is why leaders in Alabama and Washington are focusing on persons actually working—and those who are not, which unemployment rate figures do not measure. Figure 1 shows how the statewide labor force participation rate of 57% masks a stark difference between the 52% in the 24 Black Belt counties compared to the 58% rate in the 43 Non-Black Belt counties. These geographic differences suggest that Alabama’s metro strategy is working, and that alternative strategies to reconnect workers are needed elsewhere.

What exactly does the labor force participation rate measure? The U.S. Department of Labor defines it as “the number of people in the labor force as a percentage of the civilian noninstitutional population,” and this includes Americans either working/actively looking for work between ages 16 to 64.”

Figure 1. Labor Force and Unemployment Rates in The U.S., Alabama, and the Black Belt, June 2023
participation rate in the country at 57%, ahead of only South Carolina (56.9%), West Virginia (54.7%), and Mississippi (54.4%).

Figure 3 again shows how statewide averages mask large regional differences. All 11 counties with the lowest labor force participation rates Alabama are in the Black Belt: Greene (44%), Dallas (44%), Sumter (43%), Conecuh (43%), Monroe (42%), Lowndes (42%), Perry (41%), Clarke (41%), Choctaw (39%), Barbour (39%), and Wilcox (29%). The geographic divide between the highest and lowest performing Alabama county rates is over 40 points (Wilcox vs. Shelby), suggesting a distinct set of strategies and programs is needed in the Black Belt. We now turn to a brief primer on Prime Age Employment and PAEG.

![Figure 2. Labor Force Participation in Alabama and The Southeast Lag Behind The Nation...](image)

![Figure 3. ... and the Black Belt Trails Further](image)

**Prime Age Employment and the Prime Age Employment Gap**

Record low unemployment rates and skilled labor shortages have focused economists and policymakers to metrics that better measure the
participation of prime-age workers ages 25 to 54. In a front page Wall Street Journal September 25, 2023 feature, “Why America Has a Long-Term Labor Crisis, in Six Charts,” Lauren Weber and Alana Pipe wrote “labor force participation, while not fully recovered since the pandemic, has seen signs of growth.”4 According to the U.S. Department of Labor, the share of prime-age workers working or looking for work exceeds pre-pandemic levels by nearly 2.2 million, the highest level recorded since 2002.5

Historically, prior to the 1970s, economists tended to assume prime age workers meant males. In the late 1960s, also an era of tight labor markets, Brookings Institution economists and experts including Jacob Mincer and Robert Hall brought focus to the prime-age employed (PAE).6 7 In the 1970s, connecting returning Vietnam War veterans to re-engage in the economy — of the 2.7 million deployed during America’s longest war, just 265,000 were women8 — spurred more attention to the metric. The PAE is a more targeted definition than labor force participation rate, which is all persons working or looking for work between 16 and 64 years old. A 1971 study found that while most between the ages of 25-54 actively participated in the workforce, Vietnam veterans lagged.9 A 1992 retrospective study noted a “veteran’s chances of being jobless were inversely related to their level of education.”10

As the labor market again tightened in the late 2010s, economists came again to the Prime-Age Employment rate as a more precise labor market metric. The Federal Reserve Bank of St. Louis found it rose to 80.2% in November 1989, and remained between 78% and 82% for 44 years between February 1984 and December 2008. It dipped sharply during the Great Recession, then climbed steadily for a decade starting in 2011, rising to 80.1% in December 2019, just before COVID-19 pandemic. While it fell
sharply to 71.4% in May 2020, its lowest since March 1974, with the pandemic’s end it rebounded to 80% in March of 2022, and stood at 80.9% in August 2023.\textsuperscript{11}

What, then, is the Prime-Age Employment Gap (PAEG)? The PAEG is an indicator of economic destress because it accounts for adult prime-age workers ages 25 and above, most of whom have finished their schooling and are not on the verge of retirement. It includes adults who have stopped looking for jobs and left the labor force altogether, and those who are currently looking for jobs and are unemployed.\textsuperscript{12}

\textit{The Prime Age Employment Gap in Alabama’s Black Belt}

Differences between the PAEG rates across Alabama’s 24 Black Belt counties, the state’s 43 non-Black Belt counties, and the national PAEG are stark. Figures 4 and 5 show a gap of 15 percentage points between the Black Belt and the national PAEG. Nine of the 10 largest gaps among Alabama counties and the national PAEG are in the Black Belt. Again, state averages mask staggering regional differences -- the PAEG gaps in Perry (28%), Wilcox (27%), and Barbour (23%) contrast sharply with Shelby (-3.7%), Baldwin (-0.8%), and Madison (-0.6%). The overall Black Belt PAEG rate of 12% is double the 6% PAEG rate in the 43 non-Black Belt counties. Figure 5 shows all 67 Alabama counties together.
Figure 5: The Disparity in the Prime-Age Employment Gap Across Alabama’s 67 Counties and The Nation

American Community Survey data analyzed by UA EPC
**Moving the Needle in Alabama’s Black Belt**

We turn attention now to a discussion of how the Prime-Age Employment Gap metric relates to the enduring persistent poverty, single parent heads of households, and prior incarcerated populations in Alabama’s Black Belt, and what might be done about it. Figure 6 shows that the 530,503 persons living in Alabama’s 24 Black Belt Counties comprise roughly a tenth of the state’s total population, while the 384,876 minorities, who are nearly all African Americans, comprise 23% of the state’s total minority population of 1.7 million, which includes Native Americans, Asian Americans, and other minorities.

The state’s total population of 5 million is 27% African American, while it stands at 40% in the Black Belt. All 13 of Alabama’s majority-minority counties are in the Black Belt, and another 7 are above 40%. These figures impacted the U.S. Supreme Court’s recent decisions to create a second majority-minority congressional district in Alabama.\(^{13}\)

The next columns show the percentage of each county’s population to be listed in persistent poverty. There are four definitions of poverty commonly used by federal officials: poverty, extreme poverty, persistent poverty, and enduring persistent poverty. The county definition for “poverty” used by the Census Bureau is a minimum of 20%; for the year 2023 data were obtained from a mapping tool Argonne National Laboratory created for the U.S. Economic Development Administration’s new Distressed Area Recompete Pilot Program\(^ {14}\) “Extreme poverty” is defined as areas with poverty rates of 40% or more in a single time period. “Persistent poverty” means that the county’s poverty rate has been above 20% for at least two consecutive decennial censuses – this means that if Dallas County, where Selma is the county seat, was listed as persistent poverty in 1970, it
was also in poverty in 1960. “Enduring persistent poverty” means that a county had a 20% or higher poverty rate for at least four consecutive decennial census periods or at least thirty years. Figure 6 shows all 24 Black Belt counties met the federal poverty definition in 2023. Four counties had extreme poverty: Greene, Perry (the home of Coretta Scott King), Sumter, and Wilcox, at 40, 42, 42, and 40%, respectively. All 24 Black Belt counties were in persistent poverty in 2023; since all 24 Black Belt counties were persistent poverty in 1970, they were in poverty in 1960 too. Thus, for 63 years dating to the Civil Rights era, we have seen no substantial change in the region’s persistent poverty.

The next four columns of Figure 6 present data related to the PAEG. The first shows that there are 250,803 persons ages 25-54 in their Prime-Age Employment years in the 24 Black Belt Counties using the Argonne
National Laboratory’s mapping too. Of these, 166,006 or 66% were employed and 84,797 or 34% were not (most of the 84,797 had dropped out of the workforce and are therefore not counted as unemployed¹). The

¹ As the Pew Foundation reported on June 29, 2023, “Unlike the often-cited unemployment rate, the ratio of prime-age workers to same-age population helps account for older and younger workers’ choices about retirement or full-time education. It also factors in the total population, including those not actively looking for work... Employment tends to be a key driver of state finances, as paychecks help generate individual income tax dollars and fuel consumer spending, which produces sales and corporate income tax revenue. On the expenditure side, a declining employment-to-population ratio can indicate growing costs for states, such as increased need...
statewide PAEG rate in Alabama is 5%; the PAEG in the 24 Black Belt counties is 12% -- more than double the Alabama statewide rate of 5%. The PAEG rates are four times higher in Monroe, Perry, and Wilcox counties, at 21%, 28%, and 27%, respectively.

Donny Jones, Executive Vice President and Chief Workforce Officer of the Chamber of Commerce of West Alabama, which received the 2021 Chamber of the Year award from the 1,600 member Association of Chamber of Commerce Executives across North America and Europe, also serves as Executive Director of the Region 3 Workforce Development Council, West Alabama Works! (WAW). Jones, who possesses a quarter century of experience in the workforce arena, said in a recent interview, “We face many challenges specific to the workforce in the Black Belt, which is why we collaborate with many partners, especially our rural churches. To move the needle on the PAEG and impact persistent poverty in the Black Belt will require sustained efforts to reconnect two key populations: single parent heads of households and prior incarcerated individuals.” This speaks to the need for comprehensive wraparound services related to childcare, transportation, and behavioral/mental health services.” This underscores the need for comprehensive wraparound childcare, transportation, and behavioral/mental health services.

The United States in 2019 had the world’s highest rate of children living in single parent households, a Pew Research Center study of 130 nations found. The Census Bureau in 2022 reported 10.6 million one-parent households (7.9 million mother-only, and 2.7 million father-only). In Alabama, there are 182,730 single parent heads of households -- 27,589 or

15% live in the 24 Black Belt counties. The 24 Black Belt counties hold 10% of Alabama’s population, and 15% of its single-parent households.

The Census Bureau estimates that 22% of U.S. households are headed by single parents. Alabama’s statewide rate is 38% and the rate for the 43 non-Black Belt counties is 32.1%, well below the state average. By contrast, the average for the 24 Black Belt counties is 47.5%, more than double the U.S. average. The nine Black Belt counties with rates above 50% include Barbour (52%), Dallas [Selma] (54%), Greene (59%), Lowndes (67%), Macon (58%), Montgomery (51%), Perry (72%), Sumter (66%), and Wilcox (59%). Single-parent households are often left with the choice of either staying home and being a caretaker with government assistance or entering the workforce and having to bear the costs of finding childcare. In the Black Belt, once a family has children, access to affordable childcare and medical benefits impacts the ability to keep working.

Similarly, the percentage of incarcerated per 100,000 people across Alabama is 1,229, and 1,888 in the 24 Black Belt counties. PAEG is aimed at ages 25-54, however in areas where incarceration rates are high, potential workers are often turned away or discouraged due to their ex-felon status. It has only been in recent years that with strong bipartisan support Congress reversed the 1994 law that made prisoners ineligible for Pell Grant-funded education programs.18

The average Black Belt county has an incarceration rate of 1,888 per 100,000 population, almost double that of the 43 non-Black Belt counties (861 per 100,000 population). With such a drastic difference between the two Alabamas, the Black Belt is challenged to give second chances. This in part explains why West Alabama Works is working to get employers to publicly agree to hire workers with prior records of incarceration.
Implications Moving Forward

Today, we see renewed interest to move the needle for 25 to 54 year old works, as evidenced by a September 2023 Wall Street Journal feature.19 Cengage Group’s Rya Conrad-Bradshaw called for increased braiding of federal programs in her September 20, 2023 testimony to the House Subcommittee on Higher Education and Workforce Development.20 The U.S. Chamber of Commerce actively encourages employers to hire individuals with prior criminal records, noting that 70 million people have an arrest or conviction record, with more than 600,000 men and women released each year: “Second chance hiring is win-win-win for employees, businesses, and society.”21 Kathryn J. Edin, H. Luke Shaefer, and Timothy J. Nelson’s 2023 book, The Injustice of Place, Uncovering the Legacy of Poverty in America, present numerous maps showing the geographic concentration of poverty in America, including Alabama’s Black Belt.22 They recommend ending separate and unequal schooling, sparking economic mobility, investing in social infrastructure, rooting out corruption, making structural racism visible and confronting it, bringing supply chains home, and investing in children.

At the state level, we see actual progress in several important areas. Alabama has one of our nation’s leading universal pre-K initiatives, and it reaches deeply into the Black Belt.23 The Episcopal Diocese of Alabama, sponsor of the annual Jonathan Daniels pilgrimage, hosts its Sawyerville program which has turned summer math melt and reading loss into math and reading gains for elementary and middle school kids in Hale County. Sawyerville operates through a biracial advisory committee of Black and white churches.24 Governor Kay Ivey, a Wilcox County native, is working
to build a four-lane highway from Mobile to Florence, through the western side of her native Black Belt, as part of her Rebuild Alabama project. This project was proposed by “Big Jim” Folsom in his 1948 campaign but was ignored by successive governors and legislatures for 75 years.

But more will have to be done. This study found regional differences with the Black Belt having much lower labor force participation and Prime Age Employment Gaps in rural counties four times the statewide average. To reconnect more Alabamians to the workforce, a sustained approach recognizing rural differences in program deliver will be needed.

New models for effective program delivery of wraparound services, including childcare, transportation, and behavior and mental health, can close the PAEG. Braiding wraparound services can help workers overcome "benefits cliffs" where higher wages mean loss of supports. This challenge has been embraced statewide by the Ivey Administration’s Governor’s Office of Education and Workforce Transformation (GOEWT). In 2019, the GOEWT launched statewide, training regional workforce council members and staffs with other wraparound service providers to provide common language across employment, training, and adult literacy programs.

Governor Ivey’s administration is committed to coordinating programs to facilitate 500,000 more employed. Nationally, bipartisan support exists for addressing employment challenges. A comprehensive

---

2 As part of Governor Ivey’s “Strong Start, Strong Finish” initiative launched in June 2017, Alabama has worked to integrate early childhood, K-12, and postsecondary education efforts for a seamless lifelong learning journey for all Alabamians. GOETW’s leadership approach has been comprehensive and includes the WIOA Combined Plan for Career and Technical Education and WIOA, the Alabama College and Career Exploration Tool with its five-star rubric test for in-demand occupations, the Alabama Compendium of Valuable Credentials, the Alabama Committee on Credentialing and Career Pathways, and the Alabama Office of Apprenticeships. The University of Alabama’s Education Policy Center was pleased to provide assistance in some of these initiatives.
approach can reengage prime age workers, and Alabama’s efforts in this regard have caught the attention of the National Governors Association.\textsuperscript{26}

We note, however, that the number of national demonstration models funded by the federal government and private philanthropy to address persistent rural poverty are few. The last major national foundation program, the Ford Foundation’s Rural Community College Initiative, ended in 2002. This is why the University of Alabama’s Education Policy Center has launched its Driving Regional Innovation through Vehicle Electrification (DRIVE) Coalition initiative, to bring business, government, and local stakeholders together in a long-term coordinated planning process. This work has attracted the interest of the Brookings Institution.\textsuperscript{27}

The declining population of Selma over 50 years shows we cannot ignore rural poverty. While coordination of existing programs is progressing, analysis of root causes and long-term investments are still required. New federal grants specifically targeting employment gaps in distressed areas provide optimism. We cannot ignore for another 60 years the enduring persistent poverty that has characterized the Black Belt. Its people, our state, and nation deserve better.
The University of Alabama strives to remain neutral on public policy issues. The Education Policy Center may facilitate interviews or share opinions expressed by faculty, staff, students, or other individuals regarding policy matters. However, those opinions do not necessarily reflect the views of the University or its leadership, and do not constitute a statement on behalf of the University.

1 Ivey, Kay. 2023. “State of the state.” Transcript of speech delivered at Athens-Limestone County Chamber of Commerce, August 10, 2023, https://www.youtube.com/watch?v=J4rIDEOMcmQ&ab_channel=WHNTNews19


Prime-age employment calculated as the prime age employed civilian population over the total prime age pop minus the prime age armed forces population. Thus, the PAEG is simply finding the difference between the aforementioned populations prime-age employment rate and that of the nation and measures numbers of active and productive citizens are not participating in the labor force of a given area. As a way to ensure that only active laborers are included in this categorization, the age range is adjudged as between 25 and 54 years. Any potential laborer is expected to have finished high school learning at the lower age and same is still expected to be active up till the upper age categorization.


16 Personal interview, September 19, 2023.
19 Weber, Lauren, and Alana Pipe. 2023. “Why America has a Long-Term Labor Crisis, in Six Charts; while the Hot Pandemic-Era Job Market is Cooling, it is Set to Remain Tight for Years.” Wall Street Journal (Online).