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FutureReady States Profile: Alabama



Lumina FOUNDATION | FUTUREREADY STATES



Intro

Alabama's workforce strategy grew out of the need to solve a complicated puzzle. Facing growth in industries requiring more workers with specialized skills and with hundreds of thousands of adults in need of additional training for the high-demand, high-wage jobs that come with it, state officials were determined to be more intentional about putting the pieces together.

To do so, they knew they had to make it easier for employers to clearly communicate the skills needed for open positions. At the same time, they needed to better equip workers to gauge their own qualifications so they could understand which opportunities were within reach. As the state wrestled with a dynamic economy and a relatively low rate of labor force participation, moving more working-age adults toward meaningful, career-building jobs was a critical priority.

Their first step was an effort to improve coordination among the state's many workforce-related programs — programs involving multiple state agencies, education providers, and employers. The state also needed to build systems that could turn a vast collection of data points into a clear picture of opportunity — for employers and job seekers alike.

Short-term credentials are an important piece of that puzzle because they offer a quick, affordable way to acquire skills and credentials that are aligned with high-wage jobs.

The online talent marketplace that has become the centerpiece of Alabama's strategy works on the workforce puzzle from two sides. It helps individuals see a path to economic opportunity and, at the same time, supports employers' efforts to find the skilled workers they need.

Talent Triad (ler.me/alabama), the nationally recognized brand behind the marketplace, is an online dashboard that connects job seekers and employers based on skills. It has influenced efforts in other states and at the federal level to address some of the enduring challenges facing workforce development.

Even as state leaders embrace that leadership role, they know that continued investment and persistent innovation will be vital to long-term success as the job market shifts.

Alabama's Challenge

The state's challenge is both economic and personal. In key industries — including healthcare, auto manufacturing, and aerospace — growing skills gaps have made it harder to sustain the state's economic progress. Just as opportunities expand, workers face rapid changes in technology and in the skills necessary for in-demand jobs. With a labor force participation rate of less than 57%, too many Alabamians have been on the sidelines and need a way to get into jobs that offer stability and a living wage. State surveys show that many adults feel unprepared for the next step in their careers.

That confidence gap underscores the importance of informing people about education options that can give them a leg up in the job market. It also exposes a fundamental problem in the workforce system: the pieces of information that people need to make wise decisions about education and training have historically been difficult to connect.

Job descriptions, for example, are often reduced to lists of duties rather than clearly defining the specific capabilities that jobs require. Education and training providers may describe what students will learn in broad or conceptual terms, but those descriptions seldom translate directly into the skills employers are seeking. That can make the employment puzzle especially confusing for anyone who is unsure about their next career step.

A person may have gained valuable skills through work, military service, or previous education without knowing how those skills translate into a particular job. And too often such individuals become even more uncertain about trying to determine whether a short-term credential might lead to a better opportunity and, if so, how to pay for that training.

"There are plenty of opportunities for people to thrive in our economy, now and into the future."

Nathan Rankin, director, Alabama's Office of Education and Workforce Statistics

Alabama is working to address that problem by building a common language based on skills and by creating the data infrastructure to connect people, education, and work. State officials are also moving beyond the assumption that additional education automatically produces better outcomes. They're building the capacity to track the labor market results of specific credentials: whether they actually lead to quality jobs, higher wages, and longer-term career opportunities.

That will also help Alabama meet its goal of ensuring that by 2030, 60 percent of adults, ages 25-64, will have a high-quality degree or credential beyond high school. Currently, less than 40 percent have met that benchmark.

"There are plenty of opportunities for people to thrive in our economy, now and into the future," said Nathan Rankin, the director of Alabama's Office of Education and Workforce Statistics. "But in order to get people off the sidelines, we need to build the pipelines to ensure job seekers receive quality training and equip them for their destination occupation."





Alabama's Approach:

Alabama is prioritizing short-term, industry-recognized credentials as one route into jobs that lead to family-sustaining wages. These "credentials of value" offer an accelerated, affordable route to the labor market, particularly in high-demand sectors such as healthcare, IT, and advanced manufacturing.

The state's strategy is built around a simple proposition: Every skill acquired, whether in a classroom, on the job, or through military service, adds to a person's economic currency. Therefore, workers should be able to identify what they know, what they need to learn, and how those skills connect to opportunities in the labor market.

The Talent Triad provides the infrastructure for making those connections. The online talent marketplace brings together information about occupations, skills, credentials, and opportunities for education and training. It's grounded in a registry of nearly 2,000 credentials that passed a rigorous review process by the Alabama Committee on Credentialing and Career Pathways.

The committee, which represents the governor's office and state education and workforce leaders, uses a 5-star rubric to determine which occupations are most in-demand and represent quality employment in a workforce development region. The rubric considers wage thresholds, projected job growth, job openings, and credential requirements.

Credentials are further vetted based on 10 additional criteria for assessing quality. The framework is intended to identify credentials that are connected to specific skills, valued by employers, aligned with labor-market demand, and capable of helping people move into jobs with meaningful earnings.

That distinction matters. The next generation of Alabama's strategy will need to better document the value of credentials based on job and wage outcomes for learners.

Through its partnership with Lumina Foundation's FutureReady States initiative, Alabama has brought together partners from multiple agencies and organizations to pursue a unified vision for workforce development. That partnership is working to create the programs and data required to realize that vision.

State leaders seek to build a system that helps people see their education and work experience as building blocks rather than disconnected experiences. They don't want Alabamians to feel they must start over whenever they need to change jobs or acquire new skills.

Signs of Progress

Among workforce experts and advocates, Alabama has become a model for overcoming challenges that have vexed state workforce efforts across the country. The Talent Triad's data-driven infrastructure is already producing a growing repository of verifiable talent. Participation has also increased among employers across a range of industries.

More than 200,000 students have set up accounts and begun saving their information in digital wallets. Those students have earned more than 350,000 credentials over the past several years. Some 20,000 businesses across the state have applied to include their credentials in the state registry.

A growing "brain trust" of workforce, education, and industry stakeholders is helping shape the next iteration of the system. State leaders and partners see the need for a comprehensive credential registry across K-12 and higher education. They also support ongoing improvements in the underlying data infrastructure.

Its work with the FutureReady States initiative has also helped Alabama learn from other states that have adapted and built on the ideas pioneered through the Talent Triad. Texas' experience with outcomes-based funding, for example, has prompted Alabama to explore how funding incentives could encourage higher-quality credentials without simply replicating another state's model.

The work is also influencing K-12 pathways and career preparation in Alabama, providing timely input as the state revises its course of study for career-technical programs. The goal is to better align the skills students earn in high school with the short-term credentials they may pursue after graduation.

Looking Ahead

Alabama's next challenge is to turn its nationally recognized data infrastructure into a more responsive and reliable resource. While the Talent Triad has gained attention among policymakers beyond state borders, it lacks broad name recognition and acceptance among the employers and workers it is designed to serve. Job seekers are more familiar with large commercial platforms such as LinkedIn and Handshake than with a state talent marketplace. It will require sustained outreach to make the system part of the routine process of exploring careers, finding training, and recruiting workers. Advocates must make the case that the platform's features and functions are more relevant and customized for Alabama businesses and job seekers.

State workforce leaders recognize that the current framework needs to evolve. If it is to remain relevant as the economy changes, officials must ensure that employers consistently help define, validate, and update the skills needed for jobs. To accurately measure whether credentials truly deliver value — and expand equity and opportunity — officials must take a more granular approach to gauging credential quality. In other words, credentials must be assessed based on the earnings of individual completers, not on a test that reflects the median wage of the occupation associated with a credential.

Expanding the universe of credentials available through the marketplace is another priority. Much of the current registry is made up of credentials offered through the public education system. Alabama wants to create incentives for private, third-party credential providers to participate as well.

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Nathan Rankin, director, Alabama's Office of Education and Workforce Statistics

This would give individuals a more complete picture of the learning opportunities available to them.

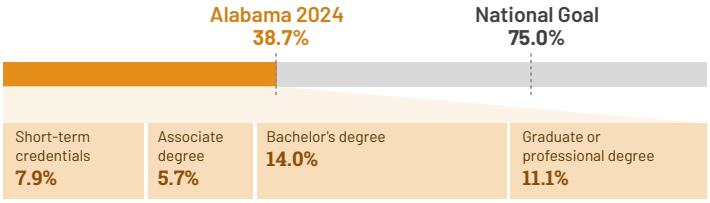
Alabama's workforce challenge won't be solved simply by having better data. The data must make the connections that enable employers and workers to seize current opportunities and prepare for those on the horizon.

"We need to make sure that all learning counts and that everyone knows what skills they are bringing to the table, how to expand on their education and training, and how that experience can translate into a good job," Rankin said. "Ultimately, learners need a clear understanding of whether their time and effort is going to pay off and prepare them for where they want to go next."

Alabama Snapshot

Credentials of Value Share in Alabama

Among 1.9m people ages 25-64 in the labor force



Measured as the share of the labor force with a post-high school degree, certification, or certificate and are making at least 15% more than the national median annual salary of a high school graduate. *Source: Lumina Foundation's A Stronger Nation, 2025*

Definition of Credentials of Value:

The state has outlined the characteristics of a "quality, non-degree credential." To qualify, a credential must be:

- Provided by an accredited, recognized, or employer-sponsored credential.
- Achievable after instruction and passing a performance or knowledge-based assessment.
- Required or preferred for initial employment in one or more occupations
- Aligned to an occupation which meets the Lower Living Standard Income Level

Partners and Collaborators Supporting Short-Term Credential Efforts

- Alabama Governor's Office
- Alabama Department of Workforce
- Office of Education and Workforce Statistics
- Office of Apprenticeship
- Alabama Community College System
- Alabama State Department of Education
- Alabama Workforce Board
- Alabama Commission on Higher Education
- Alabama Department of Commerce
- Alabama Industrial Development Technology

Priority or Emerging Industry Sectors

Advance manufacturing, bioscience, forestry and wood products, rural healthcare, aerospace and defense, and technology.





Training for Alabama's In-Demand Jobs

When employers have an immediate need for workers with in-demand skills, they can't always wait for traditional education and training programs to catch up. And few adults looking to change careers or advance in their current jobs can afford to spend years in school. Alabama is working to address both challenges through an initiative designed to align workforce training to the needs of employers and the realities of working adults.

The Alabama Community College System's (ACCS) Innovation Center serves as a statewide hub for developing and delivering short-term, industry-informed training tied to real jobs. Its ultimate goal is to move more adults off the sidelines and improve the state's labor force participation rate. In short, it seeks to make workforce training more responsive to the state's economy while giving more Alabamians a practical entry point into it.

The center's signature Skills for Success program works directly with employers and industry experts to identify the skills workers need for in-demand jobs and then design courses that build those skills.

The model is built for speed and flexibility. The Innovation Center creates standardized training that can be offered across the system's 24 community and technical colleges. Participants typically begin with self-paced online instruction and learn foundational concepts before moving on to hands-on learning at a participating college.

The approach also removes the most common barriers for adult learners: time and cost. Courses can be completed in 8-15 weeks, and tuition is free for eligible participants.

With more than 75,000 enrollments reported since it launched in 2022, Skills for Success has become a vehicle for scaling up workforce development in Alabama. Training is available for jobs in several growing sectors, including advanced manufacturing, construction, transportation, healthcare, and hospitality.

The program also offers opportunities to connect short-term occupational training with additional education and services. Skills for Success courses can be combined with adult basic education, workforce preparation, industry credentials, and work-based learning. These connections create a pathway for adults who may need to strengthen foundational skills before they move into occupational training and employment.

By combining employer input, a standard statewide curriculum and self-paced and hands-on learning options, the Innovation Center is helping community colleges do more than prepare people for their next job. It's also building a framework that can help workers continue to upgrade their skills to meet the changing demands of their jobs.

"Alabama has a strong economy and it's the right moment to get more people into the labor force and grow the talent we need to maintain that success," said Nick Moore, the chief adult education and learning officer for the Alabama Community College System. "Through the Innovation Center approach, Skills for Success provides an open pathway to the training that is valuable in today's job market and leads to greater economic mobility for all communities in Alabama."

FutureReady States – Priorities

The FutureReady States initiative is a key element of Lumina Foundation's bold new goal: by 2040, 75 percent of U.S. adults in the labor market will have a degree or other credential of value leading to economic prosperity. The FutureReady States — Alabama, Colorado, Connecticut, Illinois, Louisiana, Michigan, Mississippi, New Jersey, North Carolina, Tennessee, Texas, and Virginia — are receiving technical support to develop shared strategies and measurable goals to ensure that short-term credential programs deliver positive outcomes for learners and employers. The FutureReady States are taking a customized approach focused on three general priorities:

- Conducting a landscape analysis of short-term education and training opportunities and the various funding sources for institutions and learners.
- Identifying opportunities for strengthening pathways, such as defining "stackability" and creating more seamless alignment between degree and non-degree programs.
- Developing strategies to improve the return on investment for short-term credential programs, such as defining standards for credentials of value, building out data systems, and tracking job and wage earnings for specific credentials.

Lumina Foundation 2040 Goal – A Stronger Nation

In a changing world, education is more important than ever. Lumina Foundation believes that higher education should be a tool for opportunity, helping people create a better, more prosperous future for themselves and their families. That's why Lumina has set a bold new goal: By 2040, 75 percent of adults in the U.S. labor force will have college degrees or other credentials of value leading to economic prosperity.

To do so will require helping a greater proportion of the adult population to tap into the many education and training options available beyond high school. Short-term credentials are an essential part of that equation, but they must reflect high-quality preparation and demonstrate a direct link to good jobs and better wages.

Nearly three dozen states are funding 111 active initiatives for improving the short-term credential ecosystem, at a total of $8.1 billion, according to the latest data compiled by HCM Strategists with funding from Lumina. That's up from last year's total of 70 initiatives in 32 states totaling $5.6 billion.

Lumina FOUNDATION

Lumina Foundation | 30 South Meridian Street
Suite 700 | Indianapolis, IN 46204-3503
P 317.951.5300 | TF 800.834.5756 | luminafoundation.org

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