



INNOVATIONS IN LABOR MARKET INTELLIGENCE: MEETING THE NEW REQUIREMENTS OF REGIONAL WORKFORCE AND ECONOMIC DEVELOPMENT

By Robert Holm, Terri Lee Bergman, and Heath Prince

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JOBS FOR THE FUTURE



JOBS FOR THE FUTURE

Jobs for the Future identifies, develops, and promotes new education and workforce strategies that help communities, states, and the nation compete in a global economy. In nearly 200 communities in 41 states, JFF improves the pathways leading from high school to college to family-sustaining careers.

REGIONAL GROWTH AND OPPORTUNITY INITIATIVE

Jobs for the Future, with support from the U.S. Department of Labor, the C.S. Mott Foundation, and the Walmart Foundation, is collaborating with the Council on Competitiveness and with FutureWorks to examine what's working for and what's getting in the way of regional growth efforts. With our partners we are looking in depth at the kinds of partnership structures regions are putting in place, where leadership is coming from, and how workforce issues are being addressed in the context of regional growth strategies and regional partnerships.

With support from the Walmart Foundation, we are expanding and applying what we've learned so far by establishing a *Regional Growth and Opportunity Learning Network*, convening ten to twelve regions that are leading the way, along with others that want to follow suit. The network will accelerate progress within and across regions, deepen our knowledge of what works, and identify policy and other barriers that are getting in the way of their efforts.

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INTRODUCTION

THE CONTEXT

The nation's economic and workforce development landscapes are changing rapidly. We can no longer define labor markets using the old geopolitical jurisdictions of states, counties, and cities but must instead focus more attention on regions and their industry clusters, which may be self-defining. At the same time, rapid technological change and fierce global competitiveness have asserted powerful influences over these regional economies. To remain globally competitive, regions must embrace new and better-integrated strategies for workforce and economic development.

The global economy demands higher levels of performance. To succeed, regions must adopt new forms of organization, promote coordination among the traditional education and economic and workforce development partners, and commit resources to knowledge development. Effective development strategies depend on access to relevant and accurate data to support complex analysis as well as and resource-allocation decisions. Public and private organizations responsible for data collection, reporting, analysis, and research must be strengthened in order to meet regions' developmental aspirations.

WORKFORCE INFORMATION INNOVATORS NETWORK

The U.S. Department of Labor established the Workforce Information Innovators Network—WIN/WIN—to effectively connect innovative workforce information systems and practices, including both public and private sources and examples. WIN/WIN is particularly interested in focusing its efforts on the application of workforce information to, and integration into, key decisions in workforce programs, education and training, economic development, and human resources planning. The WIN/WIN Steering Committee is convinced that advances in the emerging talent development system will come about in this way. The WIN/WIN effort is also designed to learn more on how workforce information flows in supporting the development of creative workforce programs and the formulation of innovative regional economic development strategies.

The goal of WIN/WIN is to advance the application and integration of such data, analysis, and research by establishing and supporting an active national practitioner network that:

- > Identifies demonstrated practices and partnerships that have made effective use of data, analysis, and research in shaping critical regional development decisions and strategies, along with identifying industry leaders who can add to the knowledge base;
- > Inventories existing groups and networks to learn from their experiences and determine where there are commonalities of purpose;
- > Shares practices, methods, and techniques that help facilitate and improve the application and integration of data, analysis, and research among data producers and consumers;
- > Encourages and promotes capacity building and skill development on the part of data producers and consumers, to make better use of established data sources and new tools and technology that support analysis and research; and

- > Engages funders of data, systems, and organizational capabilities in a dialogue that will strengthen federal-state-private partnerships and that will achieve better alignment for strategy, systems, and resource development.

The network will serve as a “community of practice” that:

- > Provides a vehicle for developing, sharing, and managing knowledge;
- > Generates learning in response to problems and opportunities;
- > Has access to experts to expand horizons, gain knowledge, and seek help in addressing work challenges;
- > Offers an accessible way to explore or test ideas; and
- > Makes a commitment to individual and workforce community capacity building.

Membership comprises innovative users, practitioners, and other interested stakeholders—from the workforce and from economic development and educational communities—who are committed to raising the bar on this important work.

PURPOSE OF THIS REPORT

Innovations in *Labor Market Intelligence* examines, encourages, and promotes the creative development, application, and integration of labor market research in strategy development and decision support. The effectiveness of these collaborative processes depends on engagement of both suppliers of data and analysis and the users and decision makers responsible for the data's application. Alignment between data producers and users is critical if we are to become agile in responding to rapidly changing labor market dynamics.

As part of this effort, WIN/WIN has conducted case studies of six exemplary labor market intelligence programs across the United States. The cases include a selection of LMI producers who are partnering in new ways to produce information that keeps pace with the advancing needs of regional economic and workforce development. They emerge from a variety of very different structures and environments, including two local Workforce Investment Boards (WIBs), two state workforce agencies, a university center for workforce development, and a private-sector business developing a national market for its workforce intelligence products.

The case studies are:

- > The Oregon Employment Department: *Regional Outreach for Labor Market Intelligence*;
- > San Diego Workforce Partnership: *A History of Customer-Focused Labor Market Intelligence*;
- > New York City Workforce Investment Board: *A Strong Partnership with Academic Research*;
- > Florida Agency for Workforce Innovation: *Viewing Workforce Investment Boards as Valued Customers*;
- > The Conference Board: *Supporting Workforce Development*; and
- > The John J. Heldrich Center for Workforce Development: *Supporting Economic Growth with LMI and Analysis*.

In developing the cases, the authors interviewed over 30 producers and consumers of labor market information. The researchers interviewed the leaders of each LMI shop, selected implementing staff, and partners (including university researchers), as well as such customers as economic development directors, local and state WIB directors, municipal officials, higher education providers, and other consumers of labor market intelligence.

The researchers asked interviewees to outline the purpose and goals of the LMI producer, discuss its outstanding innovations, and identify elements necessary for success. Researchers also gathered background on the institutional and economic environment, key partners, and funding sources necessary to make the innovation work. They then asked both producers and consumers of labor market intelligence to highlight what they see as the innovation's key results and impacts, as well as its challenges and what changes they foresee in the future.

The research team also summarized the primary insights they gleaned from each case. These observations relate to implementing that unique model, as well as to applications to LMI innovations in general.

CROSS-CUTTING LESSONS

To be relevant and responsive, producers must “meet the customer where she lives.”

Frequent, in-person engagement with local leaders helps LMI producers to fundamentally improve the relevance of their intelligence to these leaders' decision making. The relationships developed from interaction also encourage creative collaboration to solve local problems, which pays off in the wider use of data, higher customer satisfaction, and broad support for the program. Direct community interaction and knowledge also help producers to provide more accurate and reliable data and to improve their capacity to forecast local trends. LMI shops are doing this in some cases by stationing staff outside their office in regions, and in all cases by ensuring strong links to businesses and local economic and labor market intermediaries.

Given the value of personal service, the quality of staff and leadership “makes or breaks” efforts to fully engage LMI users.

Full responsiveness to consumers requires strong relationship and analytic skills, as well as high levels of commitment to customer satisfaction. This makes it critical to select and train staff with such skills and commitment. It also appears to require a leader who has a passion for customer service and who supports field staff so as to extend that enthusiasm through performance guidelines, peer exchange, and strategic management.

The boundaries of LMI production and use are extending well beyond the doors of the state LMI office.

Customers are getting more sophisticated, more diverse, and more willing to invest in labor market and economic research to inform their decision making. New producers of LMI are partnering with customers and LMI offices to generate rich and relevant new data and to deliver it in ways that work best for consumers.

Successful LMI producers keep pace with the changing strategies and environment of their customers.

The growing sophistication and diversity of consumers, the rapid changes in their economies, new technologies, and the entry of new producers of LMI all increase the need for innovation to remain relevant. In all of the cases highlighted here, the LMI shop took uncommonly proactive steps to adapt to the needs of customers, often before their customers had articulated those needs. These included developing new partnerships, information sources, analysis methods, staffing structures and support, and ways of distributing the intelligence to consumers.

LMI producers are expanding their repertoire of delivery mechanisms to make data easy to access, update, customize, and apply to decision and policy making.

Many LMI producers are identifying the more specific needs of their varied customers—from business recruiters, to colleges, to jobseekers—and designing products to match those needs. They are developing user-friendly briefing papers, brochures, posters, and Web-based tools to reach customers where they access information. They have developed Web interfaces designed around customer inquiries and are experimenting with new tools (e.g., blogs, Twitter) to provide access to new generations of users. At the same time, LMI producers are investing in direct assistance with analysis and creating close relationships on the ground to deliver good old-fashioned customer service in support of their data.

Many LMI producers are expanding their qualitative research to enrich their quantitative analysis and enhance its relevance to stakeholders.

The addition of interviews, surveys, and regular meetings with stakeholders enables LMI producers to better understand the context of quantitative data, and to gather data that are not available from statistical analysis, particularly data around near-term forecasting. The qualitative knowledge and personal relationships with stakeholders also help keep communications open long after individual projects have concluded, expediting continuous improvement of research operations.

Partnering strategically strengthens the reality and perception of objectivity, which is valued by LMI consumers.

This can mean partnering with especially independent and rigorous institutions, such as universities, or carefully guarding independence and rigor while partnering more closely with customers. University leadership in two of the case studies here brings an internal tradition of independence and rigor to labor market intelligence, as well as the perception of rigor afforded academic institutions. In cases where the LMI shops have intentionally deepened their partnerships with users, these shops also have created strategies to maintain boundaries that protect their independence and objectivity.

Partnerships are providing new models for analysis and for gaining access to emerging data sources.

Partnership with universities and private-sector research firms has accelerated innovation in research methods, the application of real-time data, and the use of new delivery mechanisms. The use of on-line job postings to analyze current demand and detailed skill requirements is enabling LMI shops to provide users with intelligence that was not available from traditional wage and economic records. And academic and private-sector partners, because of their different markets and experience, enrich the variety of delivery approaches that public LMI producers can make available.

Leading LMI shops are tapping a deepening array of funding sources.

LMI shops formerly relied almost entirely on funding from the U.S. Department of Labor's Employment and Training Administration (ETA) or the Bureau of Labor Statistics (BLS). Widened funding sources makes LMI shops accountable to a wider array of customers. There is a spillover effect from the increased use and interest in usable labor market intelligence. In Oregon, for instance, funding allocated by state legislation increases the pressure on the LMI shop to make benefits visible.

CHALLENGES AND FUTURE OPPORTUNITIES

Increased engagement with customers adds pressure to produce research that supports customer biases.

When LMI shops spend more time with decision makers, they find they must balance engagement with objectivity. For example, recent large-scale investments in green jobs throughout the United States have put pressure on LMI shops to produce data for related grant opportunities. In New York, Oregon, and San Diego, the LMI shops took the initiative to sharpen their customers' understanding of the opportunities and limitations around green jobs in their communities.

Federal investment in workforce intelligence should respond to the market.

While funding for labor market information from ETA, BLS, and other traditional federal sources has been shrinking, the needs and opportunities for better data are increasing. Given the growing variety of consumers and needs for real-time workforce intelligence, the federal government must revise its investment strategies for a workforce intelligence system. The recent \$50 million grant for LMI shops to study the green jobs market is an example of such investment.

Consortia of LMI producers would enhance performance and efficiency.

One lesson from the recent green jobs LMI initiative is that there is an opportunity for more collaboration among states. The seven broad-based consortia that grew out of these grants are an example. In other examples, the Heldrich Center, the Conference Board, and the New York City WIB serve customers beyond the borders of their own metropolitan area or state. In doing so, they pool financial and human capital resources from multiple markets, then use those resources to develop tools that are effective for both their neighbors and local regions.

THE OREGON EMPLOYMENT DEPARTMENT REGIONAL OUTREACH FOR LABOR MARKET INTELLIGENCE

www.employment.oregon.gov

Over decades, and particularly since 1997, the Oregon Employment Department has made significant investments in regional services that make labor market intelligence more accessible and relevant to local users. While the investments are consistent with Oregon's history of supporting quality information and analysis to support decision making, the state legislature bolstered this support in 1998 when it reallocated employment service funding to create a system of workforce analysts to be stationed across 15 regions of the state. The legislation charges the analysts with focusing 60 percent of their time on direct services to businesses in their regions, and the remaining time to workforce, education, and economic development stakeholders. Since implementing the regional system and developing the Web site www.QualityInfo.org, Oregon's Research Division has won more than a dozen national and state awards for its work on making quality data accessible locally.

PURPOSE AND GOALS

Oregon passed legislation in 1997 authorizing the Oregon Employment Department to create a system of workforce analysts who directly support businesses, workforce agencies, educational institutions, and others located in all regions of the state. The intent was to make the state's labor market and economic data more relevant and more accessible to local and regional stakeholders. Implemented in 1998, the legislation, which enabled the department to add a team of thirteen business-focused workforce analysts to the existing group of eight regional economists. Regional economists are experts at creating labor market intelligence that builds on in-depth local knowledge; workforce analysts assist employers, planners, and other workforce development partners with their labor market information needs. According to Graham Slater, administrator for research at the Department, two core purposes drive the program: quality information and customer service.

Stationing Research Division's staff around the state serves two purposes. The first is to improve data quality by making regional economists more aware of the local dynamics behind the data and of which information would be most critical to local decision makers. The second is to enhance the level of service, through intensive interaction with local business and workforce stakeholders. These two purposes advance the program's underlying goal of adding value to local businesses.

“Because Economic Development for Central Oregon and the Employment Department have similar geographic charters, we’re able to share information to create a fuller picture of the dynamics of Central Oregon’s economy.”

- Roger Lee

REGIONAL LMI

Regional Research Services

After passage of the 1997 legislation, the Oregon Employment Department reallocated funding formerly budgeted for about 20 employment service worker positions that had been vacant to create the new workforce analyst positions, adding them to the long-existing, out-stationed regional economists. Today, the department has deployed eight regional economists and 13 workforce analysts across the state, positioning them inside One-Stop Centers and linking them closely with local Workforce Investment Boards.

The state and local data users consider the eight regional economists “the go-to people” for generating regional data that are relevant to local stakeholders, estimating employment and economic trends, and writing articles, analyses, and other publications. These Oregon Employment Department employees are experts on employment and workforce issues for the region, and they are the resource most used for giving major economic and labor market presentations to business and civic groups, education institutions, and other members of the public.

The regional economists devote about half of their time developing data and analysis for their region. In addition to standard statistical analysis, the economists gather local intelligence by participating in relevant meetings of the local chambers of commerce and WIBs, meeting with economic and workforce leaders, and reading local newspapers to spot major labor market events and trends. They also devote significant time to providing regular updates to those organizations and responding to requests for intelligence from board members and executive staff. They produce monthly employment reports, 10-year employment projections, and a host of specialized reports on individual industries and special issues in the labor market.

Businesses and workforce groups frequently turn to the regional economists for special presentations on the economy, as well as for handling media requests. One Research Division customer reported that she refers almost all media inquiries about labor trends to her regional economist: the economist has in-depth knowledge on how the data are generated and is adept at explaining the nuances of the data that can have political ramifications if misinterpreted.

The state’s 13 workforce analysts, often with the regional economists, are located at One-Stop Centers and directly assist employers, employer associations, planners, and other workforce development partners in meeting their labor market information needs. They make LMI more accessible and help businesses understand and use the data.

“When I have a tough question about the economy from the local media, I can take it to Jan [workforce analyst] and Carolyn [regional economist]. They’re eager to explain what’s behind the data, and I really appreciate that.”

- Laurel Werhane

Upon request, the analysts help employers conduct customized research, most often in the areas of wages, occupations, and workplace strategies, frequently using the Web and other information technologies. Regional economic development leaders regularly use the workforce analysts in their business attraction and retention efforts, requesting research on the skills supply, wage levels, and other issues relevant to businesses considering locating in the region, and they may involve the analysts in meetings with prospective employers. One economic development leader reported that she includes her local workforce analyst in most initial meetings with business recruitment prospects and for almost every recruitment finalist meeting; the analyst addresses last-minute questions about the labor market and skills supply.

The Employment Department drives the workforce analysts to be relevant to local businesses and workforce partners through the set of performance standards by which they are evaluated. Department managers consider the analysts' primary job to be serving employers. The analysts are expected to devote 60 percent of their time to that, through regular one-on-one meetings with businesses and work with such business groups as manufacturers associations, the regional Society for Human Resource Management, and local chambers of commerce. The analysts split the other 40 percent of their time serving workforce intermediaries, educational institutions, and economic developers; participating in media interviews; and building their general knowledge of workforce and economic trends.

This standard of practice is often challenging for workforce analysts: the nonbusiness stakeholders find their participation in board and staff meetings invaluable, and frequently ask for specialized information. To encourage the analysts to focus first on employer needs, the department's performance goals and measures reward visits by analysts to businesses and ensure that special research requests are well considered. For example, new performance goals instituted in 2006 require each analyst to meet with the top 75 businesses in his or her region each year.

An additional feature of Oregon's regional service approach is what it requires when hiring analysts and economists. In recruiting staff for these positions, the state has made the ability to communicate with stakeholders about labor market data a priority. "We hire for great communication skills," says Graham Slater, the Research Division's administrator. The state also tries to hire staff who understood client needs as well as data. In the initial hiring for the new positions, the state selected five staff who had previously worked with the Employment Service, where they had acquired experience with and an understanding of the workforce system. Because they had less analytic experience than other candidates, the Research Division invested in economics training to prepare them for the positions. Satisfaction with the workforce analysts in the regions interviewed was almost uniformly enthusiastic.

"Annette calls me—a one-person business—to offer me information. She wants me to know what's available because she knows I'll use it."

- Brian Cole

"We hire for great communication skills."

- Graham Slater

"Our person in La Grande is phenomenal. She's a gem who loves her job. And she gets the difference between data and information."

- Brian Cole

Close Contact with Decision Makers

One essential benefit of stationing workforce analysts and regional economists around the state has been improvement of the Research Division's capacity to understand the information needs of decision makers at the regional and local levels. The analysts and economists constantly participate in industry association, chamber of commerce, business recruitment, workforce investment board, community college, and other decision-making meetings, giving them a firsthand understanding of the issues facing these leaders. Continual contact and discussion with them helps the analysts and economists to learn, and then to develop and improve, the type of information these clients most value for making informed decisions. The proximity also helps the researchers sharpen the ways in which they offer the information.

Through frequent contact, analysts and economists have developed information and tools that respond rapidly to the pressing questions of stakeholders and to their preferences for how to access that information. For example, the Research Division developed additional tools with which to search the applicant resume banks in Oregon's on-line job matching service, iMatch Skills, in order to create skills inventories of jobseekers in the regions. This enables economic development recruiters to answer an urgent question, one often asked by businesses considering relocating to the area: "Do you have the kinds of skilled workers we need?"

When the 2008 economic downturn began and layoffs increased, analysts turned the question around and began asking: "Do the businesses we're targeting need the kinds of skilled workers we have in this region?" To address the needs of laid-off workers in particular, Research Division analysts and economists have been using the same iMatch Skills data to help economic developers target companies that are likely to seek the region's available skills.

Still, a challenge can arise from such close relationships with decision makers, which may interfere with providing unbiased information and objective counsel. Although analysts and economists are sought to participate in many stakeholder board and staff meetings, the Research Division bars them from voting membership in any organizations for which they provide market information. Maintaining both the perception and the reality of objectivity among its customers also helps the division steer clear of political battles that could jeopardize its effectiveness.

RESEARCH SUPPORT ON THE WEB

Close contact with businesses and other local stakeholders has taught the Research Division's regional economists and analysts as much about the preferred delivery systems for market intelligence as it has about preferred content. One outcome of this learning has been the continuous improvement of the division's Internet-based LMI tools.

Oregon's labor market information system Web site—www.QualityInfo.org—reflects the Employment Department's emphasis on information for decision making, as well as its focus on serving regional economies. The home page headlines a regional map, splitting the state into 15 regions, and

"We especially appreciate that the Web site reflects the knowledge of the regional economists."

- Roger Lee

linking customers immediately to overviews of each region, the region's economy in comparison to that of the state, jobs and careers in the region, and publications and services available for the specific region. The home page also provides entry points based on the types of customer likely to use the site. These link employers, jobseekers, educational institutions, and workforce professionals to tools that feedback has shown to be in demand by each group.

Business Information Center

The Business Information Center provides information tailored to the needs of your business. . . . Select options from the menu below to create your own custom report:

County Overview

- > Geography
- > Economic Background

Industry Information

- > Employment, Wages, and Businesses
- > Local Business Contacts
- > Sales Data

Economic Trends

- > Employment & Economic News
- > Recent Business Activity
- > Current Employment by Industry
- > Unemployment Trends
- > Industry Employment Projections
- > Consumer Price Index

Population and Income

- > Population
- > Per Capita Income
- > Median Household Income

Recruiting and Training Resources

- > Wages by Occupation
- > Staffing Patterns
- > Staffing and Training Resources
- > Job Description Writer
- > Benefit and Compensation Trends

Other Business Resources

- > Local Business Assistance
- > Business and Industry Associations
- > Business Financing Resources
- > Tax Credits and Information
- > Legal Resources

<http://www.qualityinfo.org/olmisj/BIC>

These features are becoming more widespread among LMI shops, but Oregon appears to remain on the leading edge because of the continuous feedback afforded by the staff members stationed in the regions. The LMI Web site was not developed by IT specialists in consultation with LMI workers. Rather, LMI workers who became enthusiasts for Web development were supported by the Research Division to develop their Web skills and ultimately begin full-time work on the site.

While local businesses typically could find answers to their questions on the state's Web site, analysts began hearing complaints that these answers were dispersed in many different parts of the site. Often, businesses relied on analysts to direct them. In response, a group of analysts designed the site's "Business Information Center," which organizes the most frequently requested information into a format tailored to employers. It also enables businesses to create their own custom reports about industries, economic trends, population, recruiting and training resources, and other resources by county. The Research Division's regional economists and workforce analysts continually suggest improvements based on what they hear from their close contacts with businesses and other stakeholders.

The state also has honed its reports and distribution methods to match customer needs and push outreach to regions. Gary Gipson, the systems development manager for the Research Division, uses a list-serve to distribute monthly summaries of the latest articles, projections, and reports available on the Web site. Some WIB directors report that it is so well oriented to business that they forward this email to their "VIP list of employers and economic development colleagues" and encourage those colleagues to join the list-serve directly.

The state continues to push the envelope of Internet outreach by experimenting with other Web tools as well. It recently began pioneering the first known "state LMI blog" to make data more accessible, and it just joined Twitter to gauge whether this tool will increase the convenience and use of up-to-date labor market intelligence. Although the state has begun marketing the blog tool, both its blog and Twitter applications are in developmental stages. Nevertheless, they reflect the Research Division's outreach orientation. As Slater puts it, "To engage young business owners and young human resources managers, we need to communicate the research in their way."

"To engage young business owners and young HR managers, we need to communicate the research in their way."

- Graham Slater

ENVIRONMENT

Since the 1990s, Oregon has often gained recognition for investing in quality data collection and analysis. The establishment of the Oregon Progress Board in 1989 reflected the value the legislature placed on data-based decision making and benchmarking to spur improvement and monitor the state's 20-year strategic vision, *Oregon Shines*. Although the Progress Board lost state funding in 2009, the state's strong data collection and analysis extends beyond employment and economic data to transportation, education, environment, and a wide variety of related intelligence. Establishment of the Progress Board also reflects the state government's relatively proactive role in the state's development over several administrations.

This data- and analysis-friendly environment supported the decision of the Oregon Employment Department and the legislature to create the workforce analyst positions in 1997. Despite the political challenges of reallocating funding from other employment service positions, the Research Division has maintained and grown support for its regional operations over the past decade. This appears to be due to broad-based support from business and other community stakeholders who have benefited from the LMI services and who communicate that to their elected officials. It is noteworthy that because of the individuals stationed in the regions and their close relationships with local leaders, state legislators from all reaches of Oregon are familiar with the Research Division's staff and the resulting benefits to their constituents.

Oregon's economic situation has also contributed to its emphasis on regional services. In the 1980s, Oregon leaders began efforts to diversify the state's resource-based economy (timber, fishing, agriculture) toward a mixed manufacturing and marketing economy, emphasizing the Portland region's growing high-technology sector. This shift generally did not occur in rural areas, so most of the state again confronted high unemployment when the rapid growth of the 1990s ended. The state lost about 43,000 payroll jobs from 2000 through 2003, particularly among advanced manufacturing firms around Portland. The state rebounded from 2004 to 2007 through growth in construction and services, with 21,000 jobs added in the construction industry alone. However, that growth again collapsed with the mortgage and housing market in 2007, and Oregon fell into a deepening recession in 2008 and 2009.

“In some areas we have the deepest unemployment in the United States . . . but our population continues to grow. When people come to Oregon, they stay.”

- Jonathan Schlueter

This economic environment has influenced the Research Division in two ways. The first stems from state leaders' concern that most of Oregon's recent economic successes have been concentrated in the Portland region, while other areas continued to face decline. This highlighted the need to give stronger support to economic and workforce leaders in the farther regions of the state. The second influence stems from the need for proactive action—and the use of more relevant and accurate data—to solve persistent unemployment. Both influences bolstered the argument for regional services that encourage the use and relevance of the Research Division's information.

FUNDING

The Oregon Employment Department has devoted substantial resources to the Workforce and Economic Research Division. Its two-year budget—about \$11 million—derives from both state and federal funding, along with a small portion from fee-for-service research. Federal sources include the Bureau of Labor Statistics, the Department of Labor Employment Training Administration, the Workforce Information Grant, and the Wagner-Peyser Act. From the state level, Oregon applies a portion of its Supplemental Employment Department Administration Fund (SEDAF), which is separate and distinct from the state's general fund and is collected by the state secretary of the treasury through the Unemployment Insurance system. This overall budget funds 65 staff for the Research Division, of whom 8 are regional economists and 13 are workforce analysts.

Slater reported that repeated reductions in federal funding would have made the program difficult to maintain were it not for the additional state SEDAF funding for labor market information services. Although the state legislature funded the workforce analyst positions in 1997, the Research Division has not taken that funding for granted and has worked to maintain community support.

The division raised approximately \$350,000 in its most recent budget from fees for special studies, surveys, and other customized research. Its customers have included employer groups as well as education, WIB, university, and economic development stakeholders. The service fees are generally minimal, covering costs for specific, customized projects, but they help to ensure that the division focuses on research projects that are a priority to customers and partners.

“We’ve been given relatively generous resources, so we just didn’t want to blow it.”

- Graham Slater

PARTNERS

Oregon’s regional outreach strategy and staff have made the Research Division a close partner with local decision makers on a broad scale. The division’s extensive direct work with businesses is supported by work with economic developers, workforce agencies, and education institutions. As noted earlier, the regional economists and workforce analysts are consistently included in a variety of board and executive decision-making meetings because of the quality of their information and their responsiveness to the needs of decision makers for information.

A prominent feature of the Oregon LMI shop is its set of in-person business services and partnerships with business recruitment and retention organizations. The groundwork for business partnering appears to stem from the systematic interview contacts that the analysts conduct with local businesses. In meeting the workforce analysts’ performance goal of devoting 60 percent of their time to employers, one analyst’s schedule for the past year documented over 80 trips to local businesses and workforce organizations, not counting those inside her most immediate county.

Building on the workforce analysts’ knowledge and experience with individual businesses, the Research Division is in a strong position to assist its economic development partners. As the director of one business recruitment and expansion organization put it in a letter of support for the division, the two organizations collaborate on several levels, and “that process can be iterative, where each organization shares its knowledge and perspective for a better end product.” In many regions, the workforce analysts participate with multiple economic development boards and are highly involved in business recruitment meetings.

The regional teams’ close relationships with business, economic, and workforce organizations also have helped maintain and expand statewide support for the regional outreach work. The direct benefit to local businesses has led them to advocate for maintaining the Research Division’s resources. At least one large employer, who also served as a regional WIB chair, went to the state legislature to advocate for continued division funding, with the message that “as a business, I need this.”

“Graham [Slater’s] positive attitude, willing spirit, collaborative approach, and inspirational work ethic are the basis of his success.”

- National Association of State Workforce Agencies

The division's relationships and firsthand experience (usually on a first-name basis) with employers and business organizations help to maintain its steady support from legislators by keeping the elected officials aware of the benefits to their constituents. While legislators in other states tend to know very little about their LMI shop, some in Oregon are reported to know regional LMI staff on a first-name basis.

Public-sector partnerships are also strong, although they have not always been without challenges. When the Employment Department advocated for reallocating funding from about 20 employment service worker positions to create the workforce analyst positions, the Employment Service group was understandably concerned. While this led to some tension in the early years, the Research Division showed its value to the Employment Service office, which eventually "came to be one of the division's biggest fans." This shift is in large part the result of information services the division provides to the employment service managers, which help them succeed by providing value to their customers.

Another important public-sector partnership stems from the regional economists' and analysts' location in the local One-Stop Centers. The partnership is symbiotic because their location in the centers keeps the economists and analysts in frequent contact with a variety of labor market stakeholders—including jobseekers, employers, training organizations, sector associations, and government officials—while making them easily accessible to workforce system staff. Analysts in the regions interviewed attend weekly center staff meetings as a valued resource, and the regional economists often fill functions that resemble such staff functions as conducting research and making presentations to the media. When describing these staff, One-Stop operators tend to refer to the Research Division workers as "our researchers," rather than the state's.

"We consider Jan [workforce analyst] and Carolyn [regional economist] and the central office to be "our research department."

- Laurel Werhane

The Research Division's primary education partners are the community colleges, although it would like to have a broader role with education institutions in the regions (see "*Future Plans*"). Among community colleges, division staff work with both state administrators and individual colleges to provide general labor market information and specialized research requested by the colleges. The analysts and economists collaborate both to inform program changes at the colleges themselves and in meetings with other stakeholders concerned with regional workforce and economic development needs. The partnership with community colleges in Central Oregon, for example, is extended through the analysts' and college staff's participation in the Business Resource Network, a group of the region's frontline workers for the community college, economic development, vocational rehabilitation, and other WIA Title 1-B partners (covering services to adult and dislocated workers) who work regularly with employers and share what they are hearing about the economic environment.

RESULTS

According to Employment Department staff and economic development partners, the first result of this regional outreach strategy is the increased use of labor market data for decision making among businesses in Oregon. The department and these partners believe that more businesses are aware of the information provided and have made better decisions as a result of the work of the regional economists and workforce analysts and the use of the data on the www.QualityInfo.org Web site.

Although the impact on local decision making is difficult to quantify, interviewees shared multiple examples that flowed from local engagement. For example, a workforce analyst's meeting with an economic development manager in one region led to a manufacturing skills survey based on the manager's experience with manufacturing employers. When the survey results were reported to county commissioners, the presentation mobilized local elected officials and training institutions alike. Although the rural region suffered high unemployment, the survey revealed a large number of manufacturers experiencing a shortage of skilled workers. The region's community college created one completely new training program as a result and adapted another to help fill the gap. In this case as elsewhere, the link between the research and the behavior change stemmed from both in-person connections to conceive of research relevant to that community and in-person presentations with local elected officials to spur action.

Economic development groups also cite accessible data as a factor in many private and public investment decisions in their regions. The Portland region's Westside Economic Alliance notes that the workforce analysts' data, particularly the data identifying the area's rapid growth in college-educated 25- to 35-year-olds and its large number of engineers looking for work, contributed to expanded and new investments of over one billion dollars from Kaiser Permanente, Intel, Genentech, Solar World, and other companies. Jonathan Schlueter of the alliance also notes that data about the population growth and employment growth in the Portland region led local elected officials to invest another one billion dollars to purchase and expand the Scoggins Dam, which feeds agriculture, recreation, and residential needs in the area.

Another result of locating the economists and analysts in the regions is the impact on data quality for Oregon's local regions. Because the analysts and economists are in close contact with businesses, they can provide intelligence forecasts that would not be possible simply by extending statistical trend lines. For example, monthly employment estimates for small counties frequently incorporate firsthand knowledge provided by the relevant workforce analyst or regional economist (e.g., a mill is laying off 30 people, another employer is expanding). In a county of 3,000 people, such information has a large impact on planning.

“We’re infinitely more engaged as a result. If not for the regional offices, there’s no way legislators from 400 miles away would know us. Because of those offices, we can make a meaningful contribution in all communities.”

- Graham Slater

“The three workforce analysts in our region are indispensable to me.”

-Jonathan Schlueter

Some local leaders also see an impact on fundraising as a result of the research. The largest and most recent example is the award of a \$1.25 million grant from the U.S. Department of Labor to strengthen the state's ability to analyze and distribute labor market information about green jobs to a variety of customers, including businesses, jobseekers, and workforce and training providers. The grant benefits several regions directly because of the way the Research Division gathered regional partners to ask for their input on the grant—a step enhanced by the division's strong, ongoing relationship with regional partners. The Central Oregon Workforce Coordinating Council will use \$170,000 of the grant to train staff and conduct green jobs profiling, and the community action organization NeighborImpact and local community colleges will expand their weatherization training programs as a result of the grant.

CHALLENGES

The regional outreach services have not been without controversy. In particular, the startup of the program saw two challenges. The reallocation of funding from other divisions to fund the workforce analyst positions created some conflict. Some lingering issues from that conflict were overcome by personal efforts to rebuild damaged relationships. They were also overcome by efforts to demonstrate the value of the program to all of the divisions involved. A smaller fraction of the conflict was healed only by time and attrition among some of those involved.

The second set of start-up difficulties is common to program innovations: with few if any models to emulate, “the first couple of years were a little messy,” as one staff person put it. For example, the thirteen analysts were hired in one day, and none had ever implemented a decentralized effort of this magnitude before. Combined with the geographic distances, this decentralization created training challenges for those stationed far from Salem.

The Research Division needed extended time to develop a vision for the new services, as well. Although managers and staff knew their charge was to engage business, they did not have an agreed-upon definition of what that meant for the new regional staff. As a result, it took time to develop standards of performance for the analysts spread across the state.

Although management of the decentralized staff has been successful, the primary ongoing challenge remains developing effective management systems for the employer engagement mission. The performance of the regional economists can be tied clearly to reports and delivery dates; appropriate deliverables are less clear for analysts. Four years ago, one approach was to require the analysts to reach the top 75 businesses in the region by the end of the year. In the last year, the workforce analysts collectively developed a set of core deliverables, including contacts with new businesses, total business requests filled, and number of presentations.

Slater's research on other states showed that these challenges are worth battling. All state officials who had once stationed individuals in the regions regretted eliminating them.

“Oregon’s green industry sector is growing—and it hasn’t been by accident. State policies have encouraged this growth. . . . Now, with even more data, we will be able to continue to attract companies that create green jobs by ensuring that we have a workforce ready to go to work.”

– Governor Ted Kulongoski

FUTURE PLANS

Customers of the Workforce and Economic Research Division report that the state's regional research strategy is functioning well and meeting their needs, and major structural changes are not planned. In the longer term, Slater would recommend at least two major improvements to his division:

- > Add three to four workforce analysts to the staff in order to dedicate one analyst for each region, while keeping four for the Portland region: The division sees additional analysts for Portland as necessary because of the high concentration of Oregon's businesses there and the analysts' key role with businesses.
- > Create a third group of research staff focused on providing labor market intelligence to educational institutions in Oregon: Slater envisions this staff working with education customers specifically on occupational skills and training requirements. The researchers would also participate in career fairs at educational institutions, community college planning meetings, and other events that could use skills and occupational information.
- > In the shorter term, two smaller activities are emerging in the form of research and products for Oregon's green jobs economy and the use of technology to give Oregon's regional leaders more access to data. The recent \$1.25 million grant from the U.S. Department of Labor to strengthen Oregon's collection, analysis, and distribution of labor market information about green jobs will address the first of these activities. The division's experiments with providing intelligence through social media, such as Twitter and a daily LMI blog, will address the second.

OBSERVATIONS

A number of insights can be gleaned from the interviewees for this case study:

- > Investing in staff dedicated to helping regional leaders apply labor market data pays off in the wider use of data, customer satisfaction, and broad support for the program.
- > Success in garnering broad support (local stakeholders and state legislators) is enhanced by a disciplined focus on providing value to businesses.
- > Given the value of personal service, the quality of staff "makes or breaks the program," as one customer put it. It is essential to select staff with excellent communication and customer service skills in addition to their analytical skills.
- > Maintaining a regional system of out-stationed staff requires a leader who has a passion for customer service and selects and supports field staff to extend that enthusiasm. It also requires strategic management approaches to supporting and guiding performance in decentralized offices.
- > Frequent training, systems to encourage peer support, and clear performance guidelines are key management tools to replace the benefits sacrificed from location in a central office. Clear performance guidelines also allow flexibility and effectiveness in meeting the mission of providing value to businesses.
- > Frequent and meaningful engagement by analysts and economists with local decision makers enhances the relevance of intelligence to decision making. The relationships developed from interaction also encourage creative collaboration to solve local problems.

- > Direct community interaction and knowledge provide more accurate and reliable data and the capacity to forecast local trends.
- > Out-stationed staff need to have strong links to local economic and labor market intermediaries.
- > High-quality, customer-friendly, Web-based information tools and out-stationed staff are mutually strengthening. Together they allow for more flexible, customized service to distant regions as well as to metropolitan hubs.

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SAN DIEGO WORKFORCE PARTNERSHIP

A HISTORY OF CUSTOMER-FOCUSED LABOR MARKET INTELLIGENCE

www.sandiegowork.com

The San Diego Workforce Partnership, Inc. serves as the Workforce Investment Board of the city and county of San Diego, responsible for overseeing the delivery of the region's Workforce Investment Act employment and training programs. A key responsibility of the Workforce Partnership is to provide high-quality labor market intelligence to guide both its own efforts and the workforce preparation efforts of the region's education and training institutions. Since the early 1990s, the Workforce Partnership has been systematically garnering the input of local education, training, and business organizations to shape its labor market research, and it has invested strategically to improve its delivery of valued labor market intelligence.

PURPOSE AND GOALS

Both Mark Cafferty, president and CEO of the Workforce Partnership, and his predecessor Larry Fitch see labor market intelligence as essential to the effective functioning of an employment and training organization. Both hold that the purpose of their LMI is to provide information about which industries and occupations offer the best employment and wage opportunities in San Diego, in order to target training dollars intelligently. According to Cafferty, this purpose is even more critical during a recession because of the need to locate "niche" opportunities.

Cafferty indicated that the organization's LMI products give the Workforce Partnership visibility and elevate the topic of workforce development in the region. An additional goal is to help position the Workforce Partnership as an expert on both subject and content, enabling it to become the "voice for employment and labor supply issues" in discussions about regional economic development. A third goal, according to Fitch, is to inform the region's political decision makers on key workforce issues.

"Without LMI, selecting training programs would be like throwing darts at a dartboard."

- Larry Fitch

CUSTOMER-DRIVEN LMI INITIATIVES

The Workforce Partnership began generating LMI in 1988, when the Labor Market Information Division of the California Employment Development Department invited it to be a pilot state/local partnership gathering this information for a region-specific *Occupational Outlook Report*. The Workforce Partnership began to customize its annual *Occupational Outlook Reports* in the early 1990s, responding to requests from local education and training providers, as well as from businesses, and it added data points for each of the occupations studied and included in the reports. It continued to publish the customer-driven reports until 2007, when they were replaced by the Web-based San Diego Work Portal, www.sdworkportal.com (see below).

To continue improving its responsiveness to customer needs, each annual event around the release of an *Occupational Outlook Report* ended with a survey of the attendees to glean what they would like to see in the following year's report. The Workforce Partnership would then convene an advisory committee to help make the decisions about improvements suggested in the surveys. Over the years, the report added such

San Diego Workforce Partnership Labor Market Intelligence Publications

- > *Occupational Outlook Reports* (1988-2007)
- > *The High Tech Education and Training Resources Guide* (1997)
- > Regional Employment Studies (2000): San Diego's Biosciences Industry Cluster, San Diego's Communications Industry Cluster, San Diego's Computer and Electronics Manufacturing Industry Cluster, San Diego's Medical Services Industry Cluster, San Diego's Software and Computer Services Industry Cluster, San Diego's Visitor Services Industry Cluster
- > *San Diego Surf Meets Silicon Sand: An Examination of Industry Growth, Employment Trends, and Training Opportunities for San Diego's Digital New Media Industry* (2000)
- > Labor Market Surveys (2001): Biomedical Products Industry Cluster, Biotechnology and Pharmaceuticals Industry Cluster, Business Services Industry Cluster, Communications Industry Cluster, Computer and Electronics Manufacturing Industry Cluster, Defense and Transportation Manufacturing Industry Cluster, Entertainment and Amusement Industry Cluster, Medical Services Industry Cluster, Software and Computer Services Industry Cluster, Visitor Services Industry Cluster, San Diego Region's Key Industry Clusters: A Labor Market Survey
- > Strategic Workforce Development Plans (2002): San Diego's Biosciences Industry Cluster, San Diego's Business Services Industry Cluster, San Diego's Communications Industry Cluster, San Diego's Computer and Electronics Manufacturing Industry Cluster, San Diego's Defense and Transportation Manufacturing Industry Cluster, San Diego's Medical Services Industry Cluster, San Diego's Software and Computer Services Industry Cluster, San Diego's Visitor Services Industry Cluster
- > *A Path to Prosperity: Preparing Our Workforce* (2002)
- > *Your Pathway to Prosperity* (2003)
- > *Point Counterpoint: A Profile of San Diego's Temporary Staffing Industry* (2004)
- > *Mapping San Diego's Future: A Snapshot of Youth Resources and Needs* (2004)
- > *Youth Mapping Resources: An Analysis of the County's Youth Population and the Region's Economic Future* (2004)
- > *Youth Mapping Resources: An Inventory of Funding* (2004)
- > *Voices from the Field* (2004)
- > *Careers in San Diego's Hospitality Industry: Opportunities Abound* (2006)
- > *San Diego's Hospitality Industry—Outlook: Sunny* (2006)
- > *San Diego's Hospitality Industry: Keeping It Vibrant* (2006)
- > *Your Pathway to Prosperity* (2006)
- > *Careers in San Diego's Healthcare Sector: A Healthy Future* (2006)
- > *San Diego's Healthcare Sector—Prognosis: Positive* (2006)
- > *San Diego's Healthcare Sector: A Prescription for Strength* (2006)
- > *Healthcare Jobs: A Healthy Career Choice* (2007)
- > *Life Sciences in San Diego County: The Industry, Occupations, and Education* (2007)
- > *A Path to Prosperity Revisited: Education, Opportunity, and the Cost of Living* (2008)
- > A Path to Prosperity—Career Series (2008): Automotive Occupations, Communications
- > Industry, Computer and Electronics Industry, Healthcare, Life Sciences Industry, Skilled
- > Trades Occupations, Software Industry, Travel and Entertainment Industry
- > "The Manpower Workforce Report—Business Edition" (monthly)
- > "The Manpower Workforce Report—Workforce Edition" (monthly)

information as skill requirements; wages and benefits; whether the occupations traditionally employed male or female workers; and whether the jobs were appropriate for individuals with disabilities, older workers, or ex-offenders. Eventually, the Workforce Partnership released the report both as a book and as an English-Spanish, interactive CD-ROM.

The Workforce Partnership began focusing on industry clusters in 1997, when it produced *The High Tech Education and Training Resources Guide* to help local companies in the biosciences, electronics, software, and telecommunications clusters identify educational and training opportunities for their technical workforce. In 2000, the organization released six regional employment studies, based on 8 of the 16 industry clusters identified and defined by the San Diego Association of Governments (SANDAG), the region's planning agency. All six reports were developed with the help of an industry advisory panel to ensure that the research was grounded in the real-world workplace.

In 2001, the Workforce Partnership released labor market surveys based on 10 of SANDAG's industry clusters. It used industry advisory groups, composed of experts from business and education, to determine which occupations and what skills would be included in the surveys. The next year, eight strategic workforce development plans resulted from bringing together leaders from business, labor, education, government, and community organizations to study the labor market information and make recommendations on how to address each industry's workforce needs.

Customers continued to play a larger and larger role in the Workforce Partnership's LMI products throughout the 2000s. *Point Counterpoint: A Profile of San Diego's Temporary Staffing Industry*, released in 2004, was shaped by LMI researchers but vetted by representatives from temporary staffing firms and labor unions, as well as by temporary workers. Representatives from government agencies, educational institutions, and youth service providers guided a set of four publications on the region's youth challenges and resources.

In 2006 the Workforce Partnership brought customers into the process even earlier when it developed the concept for research that led to a set of publications on careers in the hospitality and health care industries. Advisory groups of industry and education representatives helped create the RFPs for the publications, met with the contractors periodically during development, and reviewed drafts. The Workforce Partnership constantly asked these advisors: "Will this research provide you with the information that you need to make good decisions?"

The Workforce Partnership called on the hospitality and health care advisory groups again after the publications were completed to discuss how best to market the career opportunities in the two industries. This resulted in a youth-targeted health care pamphlet, a career ladder poster, and two versions of a hospitality brochure, one in English and one in Spanish.

The Workforce Partnership also played a major role in defining LMI for the national life sciences industry. At the request of the U.S. Department of Labor, the Workforce Partnership convened national industry, education, workforce, and research experts to determine what LMI would be of most use. The result in 2007 was the Biotech Work Portal—www.biotechwork.org—with national and regional information on biotech careers, labor market data, education and training, and labor market reports. The Workforce Partnership updates the site regularly by downloading data from government sources and soliciting entries from the user community. A key part of building the Web site was working with the national advisory group to define which industries and occupations would count as part of the life sciences industry cluster.

The Biotech Work Portal served as the model for the San Diego Work Portal, <http://www.sdworkportal.com>. Launched in 2008, the San Diego Work Portal contains industry, occupation, and education labor market data and has replaced the *Occupational Outlook Reports*.

In 2003, the Workforce Partnership initiated two monthly newsletters: *The Manpower Workforce Report–Business Edition* and *The Manpower Workforce Report–Workforce Edition*. These e-newsletters provide the business and workforce development communities, respectively, with information on the local labor market and economic activity.

The Workforce Partnership introduced some of its most successful products with the publication of *A Path to Prosperity: Preparing Our Workforce* in 2002. This publication and those that followed built awareness of workforce development issues and provided information about the changes required in order for the region's businesses to succeed and residents to prosper. (See box, "*Path to Prosperity*.")

The reports were not developed without problems. Customer input on the earlier industry reports was less significant than it would be on later ones, and these first reports were not fully embraced by the industries they covered. Project definitions and research oversight were sometimes insufficient, and the Workforce

Path to Prosperity

In 2002, the Workforce Partnership published *A Path to Prosperity: Preparing Our Workforce*, analyzing the supply of and demand for labor then and through the year 2010. The report showed both current gaps in the region's workforce and those gaps projected for 2010.

A Path to Prosperity was a breakthrough publication for the Workforce Partnership. The organization took it on the road, making presentations to business, education, and government groups and encouraging organizations to take steps to close the supply-demand gaps. According to Larry Fitch, past president and CEO of the Workforce Partnership, the publication "turned up the volume" on the importance of workforce development and highlighted what was needed to prepare the local workforce to fill the region's technology positions.

The publication included a calculation that a single individual, living alone, would need to earn \$11.58 per hour, or \$24,077 annually, to be self-sufficient in San Diego. The Workforce Partnership used this figure as a floor in selecting occupations for which it would provide training. In addition, the figure had a significant impact on "living wage" discussions in the region.

The San Diego County Office of Education immediately recognized the value of the publication and created its own version, *Your Pathway to Prosperity*, which it used to educate students about job opportunities in the region, the skills required for those jobs, how much those jobs would pay, and how much it would cost to live in the county. The Office of Education followed this publication with a curriculum teachers and career counselors could use, which increased the publication's penetration into the student body. The Office of Education updated its *Pathway* publication in 2006 and continues to distribute it widely.

The Workforce Partnership created a follow-up publication, *A Path to Prosperity Revisited: Education, Opportunity, and the Cost of Living*, along with a Path to Prosperity: Career Series of eight industry pamphlets in 2008.

Partnership lost some control of the final product. Consultants' writing styles were frequently a problem. Studies conducted by university professors could be too academic, while those from consulting firms could be too sparse. Many reports required significant rewriting to make them accessible to the target audiences.

ENVIRONMENT

San Diego County is a relatively self-contained labor market, bordered by a military base to the north, the Pacific Ocean to the west, Mexico to the south, and mountains and desert to the east. The county had a strong economy in the 1980s but started a downward slide in 1990 that bottomed out in 1993, with unemployment going from a low of 3.7 percent to a high of 8.6 percent. In response, San Diego County began moving from an economy that relied on the defense industry to a diversified economy that included emerging high-technology clusters. The economy improved steadily, with unemployment rates in the 2 to 3 percent range in 1999 and relatively rapid employment growth.

In early 2001, San Diego's economy dipped again along with the nation's. Employment growth slowed and unemployment rose to a high of 5.7 percent in June 2003. After that, the economy generally improved, with unemployment rates in the 3 to 4 percent range from August 2004 to January 2007. The 2008-09 recession hit San Diego hard, with the unemployment rate rising to a high of 10.3 percent in July 2009.

The move to a diversified economy, with high-technology clusters, pushed the Workforce Partnership to explore new areas of training, and it required new industry-specific LMI. Now, with the economy in a steady decline, the Workforce Partnership needs LMI to determine the industries and occupations most likely to revive when the recession ends, so that training programs prepare individuals for future opportunities.

FUNDING

The Workforce Partnership has a big advantage when it comes to funding LMI: the overall size of its programs. As a large organization, it can dedicate money to LMI with less of a negative impact on its other services. The Workforce Partnership's main source of funding for LMI has been WIA rapid-response funds, which must be used to help dislocated workers become reemployed but cannot be used to provide training. A small amount of WIA youth, adult, and dislocated worker *program* dollars also have been used, when the LMI supported their activities.

“Without investing money in LMI, we would be programming blindly.”

- Mark Cafferty

An important early source of LMI funds was the LMI Division of the California Employment Development Department. When the Workforce Partnership began producing the *Occupational Outlook Reports*, the cost for this was split 50/50. Over time, the state's contribution toward the cost of producing the reports diminished, until the Workforce Partnership carried the full cost beginning in 2005.

The Workforce Partnership has been creative in finding other dollars for LMI. When it submits a proposal for a training grant, it usually builds in LMI to guide program delivery. It has received small amounts of money from local and national foundations, and it solicited sponsorship funds for the *Occupational Outlook Reports* in exchange for ads in the publications. In addition, the local Manpower staffing office sponsors the monthly Workforce Reports in exchange for placing the company's logo on the e-newsletters.

The Workforce Partnership has invested heavily in LMI over the years, from a low of \$57,000 plus the salaries of two professional staff in 1988, when it started publishing the *Occupational Outlook Reports*, to a high of about \$1 million plus the salaries of four professional staff in 2007. At that point, it had funding from WIA, two U.S. Department of Labor grants, two foundations, and part of a community college grant. Since 2007, the Workforce Partnership has had to reduce its commitment to LMI as overall funding for employment and training programs has declined nationally.

Both Cafferty and Fitch consider LMI a wise investment, necessary for ensuring that government funds for training are spent effectively. According to Fitch, while WIA does not include a line item for LMI, LMI is an allowable activity, and it should be central in all the decisions made around programming.

“Investing in LMI is investing in the future of the region.”

- Larry Fitch

PARTNERS

The Workforce Partnership's strongest LMI partner has been the LMI Division of the California Employment Development Department. Early on, it provided the technical support, as well as half the funding, for the *Occupational Outlook Reports*. More importantly, it dedicated a near full-time staff labor market consultant, Cheryl Mason, to provide LMI analysis and assistance to San Diego County. Mason helped design RFPs, select LMI contractors, and review LMI reports for accuracy, in addition to guiding the Workforce Partnership to existing state-developed LMI on which it could build.

Another early partner was the San Diego Regional Economic Development Corporation, which helped develop and produce *The High Tech Education and Training Resources Guide* in 1997. The San Diego Association of Governments was also a frequent partner, helping to design studies, supplying data, and sometimes serving as the contractor for individual reports. Other partners included the region's industry associations, which provided input on the design and development of the Workforce Partnership's industry cluster reports.

The education community also has been a strong partner. Educators served on LMI product advisory boards, helping to shape research projects and to ensure that the information produced would meet the education community's needs.

Not all partnerships have been successful. One of the Workforce Partnership's first partners was ERISS Corporation. When the two organizations first worked together, ERISS was an IT firm with no labor market expertise. Together, the two organizations developed computer-based tools that improved access to LMI. As the products advanced and became more marketable, there were disagreements over ownership, and the two stopped working together.

“The partnerships were successful because both agencies had a vested interest in improving the quality of the workforce and were committed to finding new ways of analyzing data to address workforce issues and create career opportunities for individuals.”

- Cheryl Mason

RESULTS

Executive Director Mark Cafferty noted that the Workforce Partnership's LMI has shaped the organization's policies and program design by guiding services to demand industries and occupations with self-sustaining wages. LMI also has helped the Workforce Partnership forge partnerships with the region's economic development organizations. The Workforce Partnership has provided these organizations with data needed to support their economic development efforts. In addition, LMI publications have given the Workforce Partnership visibility, making the region's leaders aware of the workforce development system.

According to Larry Fitch, the Workforce Partnership's LMI made the organization a "player in the economy" and gave it a seat at the economic development table. In addition, LMI frequently has been the catalyst that helped the organization initiate and build relationships with the region's industry associations. The Workforce Partnership and BIOCUM, the region's life sciences industry association, have engaged in numerous successful joint initiatives, including student and teacher industry internships and externships, high school and community college counselor training, and a postdoctoral program to help academics find jobs in the industry.

LMI work with the health care industry and educators has led to a number of joint applications for training grants—and to the joint implementation of the funded projects. In fact, referrals from industries with which the Workforce Partnership collaborated on LMI efforts have led to important new partnerships. The Workforce Partnership has been able to convene a Green Coalition charged with designing a regional plan for a green economy in San Diego. In addition, the Workforce Partnership is bringing "green companies" to the table in the development of training grant applications, and two regional utilities, SDG&E and Sempra, are including the Workforce Partnership in proposals they are preparing.

As mentioned above, the San Diego County Office of Education developed *Your Pathway to Prosperity* to make the information in the Workforce Partnership's *A Path to Prosperity* accessible to high school students. The publication was designed to make the students think about their futures by relating what it cost to live in the county both to job opportunities and job wages in the region and to the education and skills required for occupations that would afford them the lifestyles they wanted. The Office of Education followed this publication with a curriculum for teachers and career counselors, increasing the publication's penetration into the student body.

LMI also has improved direct service to jobseekers. Gary Moss, the Workforce Partnership's labor market intelligence specialist, noted that the organization's LMI helps education and training providers prepare individuals for jobs and helps jobseekers navigate the labor market. Chuck Flacks, director of research and policy at the Workforce Partnership, highlighted the products' value in readying case managers in the One-Stop Centers, where WIA services are delivered, to counsel the jobseekers.

"LMI has helped us direct our training programs and training money toward in-demand jobs. It has also enabled us to support economic development agencies' efforts to attract, retain, and expand businesses."

- Mark Cafferty

FUTURE PLANS

Executive Director Mark Cafferty intends to “take LMI into the twenty-first century in a big way.” The Workforce Partnership will offer fewer publications while providing more information on the Web site, where it will be “accessible, searchable, and usable.” The Workforce Partnership will also continue to offer its real-time LMI in the form of the monthly “Workforce Reports.” While recognizing that part of LMI’s value has been the visibility it has given to the organization, Cafferty believes it is more important to get the information out than to secure credit for the information.

OBSERVATIONS

A number of insights can be gleaned from the interviewees for this case study:

- > The key component of customer-driven LMI is customer engagement. It is important to identify and involve intended LMI users and to ask them what they want. The more and the earlier they are involved in shaping the LMI, the more relevant and useful the LMI products will be.
- > Sufficient funding to produce high-quality, relevant LMI requires the strategic use of a variety of sources, such as federal dislocated worker, adult, and youth funding, as well as state and private-sector partnerships. It appears that larger workforce agencies are better positioned to support this work because of the scope of their programs and funding.
- > Labor market intelligence and distribution can be leveraged by aligning it with and responding to regional economic growth strategies, as well as to specific industry initiatives.
- > Quality LMI has a short shelf life. It is important to find delivery mechanisms for updating and disseminating the data quickly. In this respect, even the best publications benefit from placement on the Web.
- > Accuracy is critical. It is important to use economists and LMI specialists to vet your materials.
- > Customers should be consulted in the design and distribution of LMI as well as in creating its content. LMI publications need to be “eye catching” and accessible to a lay audience.
- > LMI should be developed and used for a purpose—from guiding jobseekers and targeting education and training programs to bringing workforce development into economic development efforts.
- > The Workforce Partnership’s LMI efforts are replicable in organizations where there is strong support from the leader, sufficient financial resources, dedicated staff to oversee design and development, and a commitment to bringing the right partners to the table.

“New projects on the horizon include a green study, a handbook for mature workers, quick-turnaround employer surveys, and a performance analysis of the stimulus’s impact on the regional economy.”

- Chuck Flacks

“Commitment by the organization and financial resources to support, underwrite, and develop timely and quality LMI . . . are key to a successful LMI program.”

- Gary Moss

- > Public and private workforce development funders should allocate a specific pool of money for LMI to ensure that employment and training providers do not have to rob programs in order to develop the information that will enable them to target their programs effectively.
- > Quality, customer-driven LMI provides additional value by “turning up the volume” on awareness and advocacy for a region’s workforce issues and raises the visibility and credibility of the organizations and partnerships that sponsor it.

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NEW YORK CITY WORKFORCE INVESTMENT BOARD

A STRONG PARTNERSHIP WITH ACADEMIC RESEARCH

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In New York City, the responsibility for overseeing and delivering the region's Workforce Investment Act employment and training programs is divided among three entities: the New York City Department of Small Business Services, which oversees and implements the adult and dislocated worker programs; the New York City Department of Youth and Community Development, which oversees youth programs; and the New York City Workforce Investment Board, which is in charge of policy and governance. In this trifurcated system, the WIB has taken the lead in developing and delivering labor market intelligence, with SBS and DYCD as two of its most important customers. To meet its LMI responsibilities, the WIB partnered with the Center for Urban Research at the City University of New York Graduate Center to create the New York City Labor Market Information Service, bringing policy and academia together to produce LMI that meets the dual standards of usability and reliability.

PURPOSE AND GOALS

The New York City Labor Market Information Service (NYCLMIS) was created to add capacity to the city's WIA efforts. The City's workforce delivery arms, the SBS and DYCD, do not have a specific LMI research function, and the six professional staff of the program's policy and governance arm, the city's WIB, were challenged to address all of the City's other workforce responsibilities. To address this capacity issue, the WIB and SBS approached the City University of New York and suggested a joint venture in which CUNY would develop and deliver LMI to meet the needs of the city's workforce development system.

The NYCLMIS was formed to accomplish three key goals:

- > Develop action-oriented research and information tools to inform and improve practice within the broader New York City workforce development community;
- > Be the portal for cutting-edge, timely labor market data about New York City; and
- > Raise public awareness of issues affecting the city's labor market.

A fourth goal arose as a result of problems experienced in developing the LMI:

- > Advocate for access to LMI at smaller geographic levels.

New York is a city of eight million people and approximately 235,000 establishments, yet all of the data released by the state are at the city or county levels. According to Lesley Hirsch, NYCLMIS director, this makes it difficult to distinguish labor trends occurring in Manhattan's financial district from those in Harlem.

ACADEMICALLY SOUND LMI INITIATIVES

In partnering with CUNY, the Workforce Investment Board was making a decision to provide academically sound LMI. CUNY's internal standards would not allow it to release data that did not meet academic reliability criteria, so the WIB could be certain the workforce development system would make decisions based on sound information. At the same time, the WIB wanted products and services that would be immediately usable throughout the system, and they wanted them as soon as possible. This tension between academic rigor and policy and programmatic needs was mentioned in many interviews, but it always was described as a useful and productive give and take.

“The NYCLMIS needs to provide LMI products that will not sit on a shelf.”

- Nearly every interviewee

NYCLMIS Reports:

- > Employment in New York City's Transportation Sector
- > Employment in New York City's Air, Truck, Transit and Ground Passenger, Support Activities Transportation Subsector Reports
- > Gauging Employment Prospects in New York City
- > Employment in New York City's Industry Group Profiles (nine sectors)

A large part of the NYCLMIS function involves making the workforce development system aware of the existing data and how it can be used. This includes:

- > CES: Monthly Current Employment Statistics and one-month and one-year comparisons;
- > Establishment lists: Proprietary lists with contact and other information from Dun & Bradstreet, InfoUSA, or Hoovers;
- > O*NET: An online database with information on skills, requirements, working conditions, and typical wages for all occupations;
- > OES: Occupation Employment Statistics adapted by the state Department of Labor in its long-term projections;
- > QCEW: Quarterly Census of Employment and Wages (required for all Unemployment Insurance-eligible employers); and
- > QWI: Quarterly Workforce Indicators, a U.S. Census online application that uses state-of-the-art data to provide key indicators of employment and wages by sector.

When identifying these data sources, the NYCLMIS not only shows the system where the databases are and what they contain but also how they can be used to answer questions about the business environment, employers, occupations, and training and recruitment needs.

A second key function for the NYCLMIS is as an aggregator of data. This involves analyzing the data and producing reports that both answer questions being faced by the workforce development system and show different players in the system how best to use the information. The first reports released by the NYCLMIS, in September 2008, were on the transportation industry. These studies moved to the top of the service's to-do list in order to meet SBS's objective of opening a transportation sector-specific One-Stop Center, the first in a planned string of sector-specific centers.

After releasing the transportation study, the NYCLMIS stepped back to take a broader look at the city's economy. It released a general employment study in February 2009, followed in May by nine industry-specific employment profiles: grocery stores, urban transit, publishing, legal services, investigation and security services, colleges and universities, home health care services, individual and family services, and restaurants.

A key feature of the NYCLMIS studies is their focus on usability. All of the studies are annotated with four icons, representing career advisors, account managers, education and training providers, and all stakeholders. These icons, appearing throughout the text, highlight findings and recommendations that would be of particular interest to specific workforce stakeholders.

Producing LMI reports is the first step in getting workforce development professionals to use them. A major NYCLMIS function is making presentations on the reports' content and implications to the workforce development system. These presentations run the gamut from major release events with audiences of 300 to more focused policy presentations for the New York City workforce board, the governing board served by the WIB staff.

Presentations also have included more hands-on, how-to sessions that prepare training providers to use LMI. One-Stop Center staff, including business development teams and career advisors, have been taught how to access and use both O*NET and business lists. Staff instruction in the use of the NAICS (North American Industry Classification System) and SOC (Standard Occupational Classification system) taxonomies has had the side benefit of demonstrating the value *to the staff* of accurately coding the industries and occupations they enter into their management information systems.

The NYCLMIS has worked with community-based organizations, explaining why they should look at LMI and telling them what they should be looking for. It has worked with specialized provider groups, such as those serving ex-offenders and welfare recipients, tailoring presentations to their needs. It has also customized presentations to the education community, including deans, directors, and career technical education providers.

The NYCLMIS also collects information on workforce system needs, as part of the give-and-take at presentations and training sessions. While the NYCLMIS makes most LMI presentations, it also prepares PowerPoints and talking points that the WIB can use when it goes out and makes presentations about the city's labor market.

“A key value of the NYCLMIS is packaging. I am already familiar with many data sets. The NYCLMIS packages this data, though, in ways that answer questions about the local labor market.”

- Robert Frenzel-Berra

“The NYCLMIS provided us with information for our Sector Strategy Practicum, targeted at providers on the ground, and for our Leadership Academy, designed for strategic decision makers.”

- Sheila Maguire

The NYCLMIS has undertaken a number of special projects as well. It conducted an analysis of green jobs, determining the extent of O*NET-classified green occupations in the city. It created a formal methodology for determining the city's demand occupations, defining them as occupations that do not require a Bachelor's degree; have wages equal to two-thirds of the median, with the potential to increase; and are projected to have stable growth. In sum, 66 occupations are on this list, which makes them eligible for WIA training funds.

As New York's financial sector collapsed, the NYCLMIS analyzed which other industries were exposed by the downturn, either as the sector's suppliers or consumers of its services. It went on to determine which industry sectors and occupations remained strong, to help the workforce development system direct clients appropriately. The NYCLMIS also works closely with the city workforce board, helping it to frame questions, appreciate the nuances of the economy, and understand what is meant by "good" and "bad" occupations.

ENVIRONMENT

When the NYCLMIS was created, the city's workforce development system appeared skeptical about the value of LMI in general, and of a new LMI service in particular. According to Melinda Mulawka Mack, WIB senior vice president, much of the workforce system had been operating without the systematic use of LMI and lacked information on how LMI could improve the system's operations and effectiveness. Workforce providers, it seemed, doubted the value of a further investment in developing an LMI service.

In addition, the city's workforce system was (and still is) quite fragmented. Besides the trifurcated WIA function, workforce development is a part of the city's welfare, justice, and education arms. It also is carried out by 250 to 300 community-based organizations, as well as by educational institutions. Bringing LMI to New York City would require developing products and services that would be useful across this wide range of diverse players.

The New York City WIB was sure that the workforce development system needed to have greater access to LMI, along with instruction in its use. In early 2006, the WIB and SBS approached CUNY with the proposition that it take the lead in developing LMI for the city. In July 2007, these parties signed a five-year memorandum of understanding.

The CUNY Center for Urban Research was a logical choice for the NYCLMIS. It is a state data center, which gives it more access to data than the general public has. And, according to John Mogulescu, CUNY dean of academic affairs and a member of the NYC workforce board, CUNY was already involved in workforce development through its adult education and regular academic programs, and had experience communicating complex information in a way the general public is able to understand.

"HOUSING THE NYCLMIS AT CUNY TAKES ADVANTAGE OF THE UNIVERSITY'S SKILL IN DOING RESEARCH, ALONG WITH ITS ATTENDANT ACADEMIC RIGOR, AND IT PLACES THE NYCLMIS A STEP AWAY FROM ANY BIASES THAT MIGHT BE PRESENT IN A GOVERNMENT-RUN ENTITY."

- John Mogulescu

FUNDING

While the NYCLMIS is a joint venture among the WIB, SBS, and CUNY, the WIB and SBS provide most of the funding, using WIA dollars. In the first year, the WIB and SBS provided \$160,000 to \$170,000, while CUNY provided \$20,000 to \$35,000. In the second year, the WIB and SBS raised their contribution to \$230,000, using American Recovery and Reinvestment Act funds, but CUNY dropped its funding to \$10,000.

CUNY provides other support to the NYCLMIS, including office space and in-kind support from a geographer, a data analyst, and CUNY administrators. In addition, the NYCLMIS, in partnership with the New York Department of Labor, will receive \$200,000 over the next two years to conduct a supply-and-demand study of the city's green economy as part of a federally funded state LMI improvement grant.

According to Mulawka Mack, one of the biggest challenges facing the NYCLMIS each year is convincing others that this is a good use of funds. She would like to raise funds from foundations, giving the service more autonomy.

“The decrease in CUNY funding does not reflect the university’s view about the importance of the NYCLMIS. CUNY’s funding was always meant to be an add-on. The NYCLMIS is a city-funded project.”

- John Mogulescu

PARTNERS

The two key partners in the NYCLMIS are the WIB and CUNY. Characterization of this relationship varies, with some (inside or outside of the relationship) considering it a partnership, others a joint venture, and still others a contractual arrangement. Regardless of the characterization, everyone recognizes it as productive, with each bringing something valuable to the table.

The NYCLMIS is housed in the CUNY Center for Urban Research. Lesley Hirsch, the director, and two part-time graduate students conduct all of the studies, with in-kind support from other CUNY staff. Hirsch conducts all of the LMI training sessions and makes almost all of the LMI presentations, although WIB staff members make some. Beside its research skills and academic rigor, CUNY provides objectivity.

The WIB serves as an intermediary, providing information on what LMI the workforce development system needs, ensuring that what is developed will be useful and accessible to the system, and pushing the system to use the LMI once it is developed. While the SBS and the Department of Youth and Community Development were part of the initial conversations with CUNY when the NYCLMIS was being developed, today the WIB represents their interests in conversations with the NYCLMIS. According to Hirsch, the WIB also smooths the political and social path for the service, both inside and outside of city government.

The NYCLMIS and WIB meet each year to develop a strategic plan, and then meet quarterly to review and revise the plan. The two entities also have biweekly calls that follow a strict agenda, but Mulawka Mack, Hirsch, and Lea Kilraine, WIB communications and research director, all say they touch base almost daily. While the WIB identifies needs, Hirsch sees her role as “pushing back if priorities go far afield from what is happening in the labor market.”

“It [the NYCLMIS] is us [CUNY].”

- John Mogulescu

RESULTS

The chief result of the NYCLMIS has been improvement in the policy and programmatic decisions of the workforce development system. According to Angie Kamath, SBS deputy commissioner, NYCLMIS data are used as follows:

- > 30 percent serve such customers and stakeholders as community-based organizations, universities, education programs, and other agencies;
- > 20 percent inform policy decisions; and
- > 50 percent help the workforce development system, including One-Stop Centers, make better program decisions.

Kamath touted a number of results. According to her, with the NYCLMIS, less than two years old:

- > The transportation sector-specific report has helped shape that sector-specific One-Stop Center.
- > The analysis of where New York City jobs are has been valuable for both One-Stop Centers and providers, helping guide both business development and jobseekers.
- > The improved demand occupation list has helped SBS focus its training opportunities more strategically.
- > The one-page occupation profiles have proven invaluable to jobseekers.

In sum:

- > Career advisors are better able to direct individuals to appropriate training;
- > Account managers are better able to provide sound advice to businesses making development decisions; and
- > Jobseekers are better able to understand where the growth opportunities are.

According to Nicole Lavan, senior policy analyst at Federal Protestant Welfare Agencies, her career advisors are now using LMI with clients as part of their job search process. The career advisors knew the data existed before, but they did not know how to use them. The NYCLMIS helped the career advisors integrate LMI into their work.

Robert Frenzel-Berra, DYCD director of research and program development, noted that the division uses the LMI to develop the requests for proposals it puts out to community-based organizations and other service providers. It uses NYCLMIS information on industries, occupations, and skill requirements to shape the programs it asks providers to develop and propose.

“We have a sense that data are driving some of the more important policy decisions now.”

- Lesley Hirsch

“The NYCLMIS has been a tremendous addition to New York City. We are no longer working on bad, spotty data or personal feelings of what is needed. We are getting people to focus on where the jobs are.”

- Sheila Maguire

Part of why NYCLMIS has been able to improve policy and programmatic decisions is that it now provides the system with its first access to unbiased labor market analyses. Previously, advocates with their own agendas to promote developed labor market reports.

The NYCLMIS also gave the WIB standing, and made it a key player in data-driven discussions. Because of this, the WIB has taken on a convening role, bringing other stakeholders together around LMI issues. In addition, the NYCLMIS has brought together analysts and opinion leaders—including representatives of the city’s Department of City Planning and Finance, Office of Management and Budget, City Council, and Independent Budget Office, as well as the Federal Reserve Bank of New York—to meet with state and federal officials to advocate for better quality data.

“The NYCLMIS gave us a seat at a lot of tables.”

- Melinda Mulawka Mack

With this increase in credibility, the WIB has gained the ability to approach organizations about potential partnerships. This includes approaching not only the foundation community for funding, but also Manpower Staffing for joint labor market studies.

FUTURE PLANS

The NYCLMIS has both short-term and long-term plans. Studies on the docket include:

- > Examining data on individuals who are about to exhaust their unemployment insurance, in order to map their skill sets to geographic areas and predict the flow of individuals to the city’s One-Stop Centers;
- > Conducting population studies, looking at disconnected youth, immigrants, and literacy levels;
- > Conducting a citywide green jobs survey; and
- > Providing additional information on how to use LMI.

Kamath would like the NYCLMIS to develop occupational profiles that would make it easier for clients to compare occupations and make good choices about their futures. Mogulescu would like to see the NYCLMIS do more to translate the information it develops for “the people on the ground,” and would like to see CUNY do a better job at using the information at its own colleges. Kamath hopes that the NYCLMIS will begin to combine historical data with business knowledge, yielding better information on what will happen, not just what has happened.

“I would like to build the NYCLMIS’s visibility with the media so that they come to us for information on critical workforce issues.”

- Lesley Hirsch

Mulawka Mack has a longer-term vision as well. She would like the NYCLMIS to be a standalone entity, using no WIA funds, within five years. As a start, she would like to begin diversifying its funding base, with a goal of having foundations cover 25 percent.

Increasing capacity is a goal shared by Mulawka Mack and Mogulescu. Mulawka Mack would like to have two or three products in development at the same time, while Mogulescu envisions a “steady stream” of publications. This will not be possible as long as the NYCLMIS is such a small research shop.

Increased capacity is also necessary to achieve the separate “training arm” envisioned by Mulawka Mack and Kilraine, as well as the separate “public face” envisioned by Hirsch, which would allow her to focus her time on the research.

A major goal, mentioned by Mulawka Mack and Hirsch, is to find a way to produce data at a “more granular” level, at least by borough, but preferably at even smaller units than that.

OBSERVATIONS

A number of insights can be gleaned from the interviewees for this case study:

- > The key benefits to partnering with an academic institution are access to strong research skills, academic rigor, credibility as an unbiased provider of information, and additional data sources. Academic partners must have the autonomy necessary to produce honest reports.
- > A partnership, by definition, is a relationship. Invest the time necessary to build the relationship between the workforce development and academic players. The New York City WIB and the NYCLMIS director communicate almost every day.
- > Not just any academic researcher will do. Lesley Hirsch is so successful because she is a political scientist with experience conducting human services evaluations. She understands not only data sets and data usage but also what workforce development practitioners will want to know and how to present the information to them in a usable form. A traditional academic might produce scholarly reports that are inaccessible to workforce development professionals.
- > Customers must play a key role in the development of the research agenda. An advisory group with representatives at all levels of the workforce development system can ensure that products and services will meet system needs. Customer engagement should be maintained at all times so that the academic half of the partnership retains a grounding in workforce development and can vet research results before they are released to the public.
- > Training cannot be shortchanged. An LMI product that is not used as a training tool with providers in the field will be an LMI product that sits on a shelf.
- > It is important to communicate and demonstrate the value of LMI on a continual basis. Creating advocates among high-level officials is critical to keeping an LMI program functioning in lean times as well as fat ones. Creating believers among workforce development professionals is critical to having products and services put to their best possible use.
- > It is best to have a stable source of funding and agreed-upon access to critical data from the very start. Getting all “ducks in a row” at the beginning can pay off down the road.

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FLORIDA AGENCY FOR WORKFORCE INNOVATION

VIEWING WORKFORCE INVESTMENT BOARDS AS VALUED CUSTOMERS

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The Agency for Workforce Innovation, Florida's lead state workforce agency, directly administers the state's workforce development programs, including the labor market information program housed in the Labor Market Statistics Center. LMS operates as a service provider: it structures its activities to meet the needs of its customers. The primary customers are Florida's 24 workforce investment boards, but LMS is also tasked with providing information to "the state's workforce partners and the general public." In addition to WIBs, partners include the governor and state legislature, the Agency for Workforce Innovation itself and Workforce Florida, Inc. (the state workforce board), all levels of the education system (K-12 through postsecondary, teachers, staff, and career counselors), the state's 67 economic development agencies and chambers of commerce, and the media. This keeps the 70-person LMS office busy until late at night.

PURPOSE AND GOALS

The mission of Labor Market Statistics is to produce, analyze, and deliver timely and reliable labor statistics to improve economic decision making. Rebecca Rust, LMS director and chief economist, noted that the organization does not just produce data; it makes sure the data are used. Employment data, Rust said, are the state's most important economic indicators, and during this recession, the WIBs need these indicators more than ever.

Many LMS customers recognize the importance of its activities. According to Mason Jackson, Workforce One president and CEO, LMI is "a WIB's lifeblood. . . . It is at the core of what we need to know . . . what the jobs are . . . where the jobs are." Richard Williams, Chipola Regional Workforce Development Board executive director, said that LMS is a resource; you know the data are accurate, you know that they are good.

"The LMS staff are a phenomenal team."

- Andra Cornelius

CUSTOMIZED LMI INITIATIVES

LMS is customer focused. All of the office's staff members have been trained in customer service and instructed not to be "the program of no." LMS directs staff to meet the requests of all customers, in all cases. If a customer asks for data that are not available, staff work with the customer to determine the purpose of the data; often, staff can find other data that address the need. Sometimes staff can provide data that are good proxies for what is requested, such as the characteristics of individuals on unemployment insurance in place of the characteristics of the unemployed. LMS can charge a fee for service if requests require additional resources.

"We have changed the office's values. We no longer say: 'We don't have that,' 'We're not funded for that,' or 'That's not my job.'"

- Rebecca Rust

According to Rust, LMS staff and WIBs speak different languages. “LMS staff live in a statistical world, while WIBs live in a service world,” she says. “LMS staff need to learn to speak the WIBs’ language.” Rust puts out the expectation that staff manage and then exceed expectations. It is better, she feels, to underpromise and then overdeliver. Staff are instructed not to respond initially to customers by saying “the data are on the Web site.” They are to find the information customers need, and then tell them where it is on the Web site for future reference. Staff are to acknowledge requests the same day they come in, tell customers what information they will receive and when, and then check back to make sure the information met the customers’ needs.

Customers tell stories that show the success of this customer-focused mindset. Kimberly Moore, WORKFORCE plus chief executive officer, was pleased with the labor supply information she received when her WIB was working with a company thinking of locating in the area. Jackson noted that he received commuter information he asked for within two hours. Williams received information he requested about companies in his region. When it was provided—also within two hours—staff apologized for the delay.

“They find out what we need, and then get it to us.”

- Mason Jackson

LMS provides the standard LMI statistics: employment and unemployment by industry, wages by industry and occupation. It disseminates its LMI on the Internet and in newsletters and publications. It produces occupational profiles, local profiles, career comics for youth, and career posters that show career opportunities by level of education.

Both Jackson and Mary Lou Brunell, Workforce Florida board member, mentioned how much they value the pocket cards that LMS provides them. For the WIBs, the cards contain information on “hot jobs” and who is hiring. For the state board, they contain unemployment rates by region, employment by industry, and information on changes and trends. Andra Cornelius, a Workforce Florida vice president, praised LMS’s white papers, which contain graphs, charts, comparisons with other states, executive summaries, and supporting documentation—all understandable to a lay audience.

Labor Market Statistics include a variety of labor market, economic, and demographic data, such as:

- > **Employment and Wages**—current employment, projections, and wages by industry and occupation, occupational profiles, and career information
- > **Labor Force**—labor force, employment, unemployment, and unemployment rates
- > **Economic Indicators**—Florida Price Level Index, Consumer Price Index, income, and unemployment claims data.
- > **Population**—age, race, gender, income, veteran’s status, and education information

LMS provides data via reports, publications, CDs, brochures, posters, and the Internet.

LMS also trains its customers to access and use the LMI products it provides. When it buys new software, it trains customers to use it. However, according to Rust there is never enough time for training.

When data are not timely, LMS updates them, supplying updated wage data on a quarterly basis. It also produces annual projections for occupations in demand for 24 regions and for the state as a whole; previously, these projections were made every two years. LMS reports also include relevant economic indicators (e.g., foreclosures, housing starts) beyond those for the workforce.

LMS conducts labor supply studies for WIBs that are recruiting businesses. It uses GIS to map where potential workers are when businesses are deciding where to locate. It helps WIBs to decide where to locate One-Stop Centers based on where their customers are.

LMS has built a reputation for responsiveness. It provided a list of growing small businesses when the governor convened a small business forum. It helped Richard Williams analyze a survey on high school graduation that his WIB had conducted, and then offered suggestions on how to conduct better surveys in the future.

Sometimes LMS cannot meet a WIB's needs with existing data. In those cases, it will conduct a survey for the WIB as a fee-for-service activity that covers costs. LMS designs the survey and uses a vendor for collecting data by telephone. Results are delivered in three weeks; the finished brochure takes somewhat longer. All LMS surveys are scientific, based on probability samples with response rates over 80 percent.

LMS conducted a survey of growing companies to determine why they were not using particular One-Stop Centers. It conducted numerous vacancy surveys to determine companies' current employment needs and future hiring expectations. The vacancy surveys were in such demand that they became part of LMS's standard package of services. In 2010, Workforce Florida is conducting vacancy surveys for the 24 regions using stimulus funds.

LMS does one thing that perhaps no other state LMI organization does: it shares its confidential unemployment compensation employer database with the WIBs. Florida has received a legal opinion that WIBs are legitimate users of the data because they use public funds and carry out a public mission. This enables the WIBs to conduct their own surveys. They also can use the database to analyze employers using the One-Stop Centers, produce lists of companies by industry, and develop information on the impact of natural disasters in their regions. Sharing this database helps the WIBs train and place workers, indirectly assisting the unemployment compensation program.

LMS produces publications and PowerPoint presentations for the WIBs. Once they are developed, the WIBs can put their names on them as if they were their own documents. Cornelius noted that LMS provides her with data she can embed in the presentations she develops.

Every month, LMS produces a regional press release for each WIB. WIBs add their own quotes, insert information on their activities, and issue the press releases themselves. This enables the WIBs to "own" their data and be the local media contacts for further information. To prepare the

"LMS surveys are better priced and more valid than those we could get from the private sector."

- Mason Jackson

"What we value from LMS is not its standard package of data and information. What we value is that the LMS product is whatever we ask for."

- Richard Williams

WIBs for questions they might receive, LMS conducts a one-hour conference call with them on each press release morning, and it supplies FAQs (and answers) on what the media might ask. According to Jackson, “owning the data” cements his position as the “go to guy” for workforce information in the eyes of the chamber of commerce, economic development, and community-based organizations working hard to serve populations.

LMS stays connected with the WIBs. It attends their quarterly workforce association meetings, speaking about new activities and services and learning about their needs. LMS staff support WIB strategic planning and board retreats, making presentations when asked.

LMS also supports Workforce Florida’s LMI needs, supplying information to its board, committees, and task forces. LMS staff meet with Workforce Florida staff regularly and communicate by phone and e-mail practically every day. Stephen M. Urquhart, another Workforce Florida vice president, said that he takes issues raised by the board to Rust. Using a consultative approach, with Rust operating from a data perspective and Urquhart from a policy one, they develop goals and ways to measure them.

“LMS provides information, not data. It is quality-driven, meticulous about accuracy.”

- Stephen M. Urquhart

LMS is very good at what it does. The state conducts customer service evaluations annually, and LMS gets high marks on responsiveness. It has been voted “workforce champion” by the WIBs. Rust is asked to train LMI directors in other states how to provide Florida’s form of customer-focused LMI to their WIBs. LMS’s biggest problem stems from its success: it is no longer a “best kept secret,” and it has an “overwhelming” workload.

ENVIRONMENT

While Florida provided LMI before, LMS, as it functions now, was created around 2000, when both federal and state legislation pushed Florida’s Department of Labor to reorganize. After the enactment of the federal Workforce Investment Act in 1998, the Florida state legislature shut down the state Department of Labor and privatized both workforce development and the state’s workforce board. Everyone working for the state Department of Labor had to turn in their resignations, and the state’s WIB directors had a voice in which state staff should be retained for the new workforce agency.

“LMS is the star unit of the state.”

- Kimberly Moore

The directors told Rust that she needed to “act private.” The state now worked for the local areas, and LMS needed to satisfy them as its primary customers. Rust went on the road, visiting all 24 WIBs and making the case that LMS could provide more timely and accurate data than they could get through any other source. Initially, some WIBs hesitated—private vendors had promised more timely and localized data—but LMS has proven to be the ultimate and trusted source.

“LMS treats us like we are the boss.”

- Mason Jackson

With the current recession, LMS is needed more than ever. With unemployment at over 11 percent, Urquhart noted, the state has to be aggressive matching people up to jobs. LMS, he said, gives “competitive insight,” or an information advantage, to workforce professionals and to those looking for work.

FUNDING

LMS’s budget is over \$7 million per year, with most funds coming from the U.S. Department of Labor’s Bureau of Labor Statistics and Employment and Training Administration, along with some funds from the Workforce Investment and Wagner-Peyser acts. LMS also has money from the fees it charges for special customer-requested surveys, usually \$30,000 to \$40,000 per survey. This year, Workforce Florida provided LMS an additional \$1.8 million from the American Recovery and Reinvestment Act, and ETA awarded it a \$1.25 million green jobs improvement grant.

LMS also applies for grants. According to Cornelius, if LMS had not received the ETA green jobs improvement grant, Workforce Florida itself would have provided LMS with the funds needed to conduct a green jobs survey. Some LMS customers also seek funding for the LMS office. Moore indicated that she likes to specify a role for LMS when her WIB applies for grants.

PARTNERS

The customers of LMS are also its partners. LMS works with its customers in a consultative fashion, jointly talking through their data needs and developing solutions to meet them. Williams mentioned that whenever he sees something in his data that he does not understand, he phones LMS and staff explain it. Conversely, if LMS staff see something in his region’s data that it does not understand, staff will phone him, and they will talk it through together to figure out what is happening (e.g., a new company has opened in the region). The fact that Williams receives these phone calls from LMS demonstrates to him that the office actually looks at and analyzes the data it sends.

A “partners council”—composed of Workforce Florida board staff, WIB executive directors, and economic development and chamber of commerce representatives—meets on the afternoon before each Workforce Florida board meeting. This is one of the key forums the WIBs use to communicate their needs and concerns to the Florida Agency for Workforce Innovation, including LMS staff.

“When there were lots of jobs and few jobseekers, we had to ‘put ribbons on companies.’ Now that there are few jobs and lots of jobseekers, we have to put ribbons on people.”

– Richard Williams

“If LMS activities are vital to Florida’s economic recovery, we will use Workforce Florida funds.”

– Andra Cornelius

“Because the Chipola Regional Workforce Development Board is a small, rural WIB, LMS staff spend more time with us, conducting more analyses of our data and explaining what the data mean.”

– Richard Williams

RESULTS

LMS helps the WIBs do a better job and provide better services. Williams noted that his WIB board uses LMS data to make decisions and set policy. All three WIB executive directors interviewed said they use LMS data to target their training. LMS produces each region's demand-occupation list, based on occupational openings, wage levels, and potential for growth. WIBs then use these lists in determining the training programs for which they will issue individual training accounts.

Data are crucial in shaping the core and intensive services the WIBs provide, enabling case managers to guide jobseekers into jobs with good prospects. Moore noted that LMS data help her WIB to provide reemployment services and to transition dislocated workers into new careers. The data also affect the work of the WIBs' job developers and their approach to employers.

By providing WIBs with press releases they issue as their own, LMS makes the local boards the "go to" organizations that media call with questions about the local economy. According to Jackson, releasing the regional LMI establishes the WIB's position as the source for intelligence on workforce development. The business community sees the WIB as the local expert; employers call the WIB for information on wages.

LMS has an impact on policy and programming at the state level as well. According to Urquhart, LMS data are used to direct state workforce development investments, helping guide funds to activities based on their potential payoff. Brunell noted that LMS data are used to determine funding distributions for special projects. Data shape state RFPs, setting the criteria used for reviewing proposals and awarding grants.

LMS data can have an impact even beyond the state level. Because of the data LMS provides, Florida can craft fact-based arguments and make the case for waivers or changes of national policies.

"LMS data make our services more efficient. We waste less time trying to figure out where the jobs are and who is hiring."

- Mason Jackson

FUTURE PLANS

LMS is bringing a number of new projects on line. As mentioned earlier, the office is planning to conduct a green jobs study, surveying 60,000 employers and giving each of the 24 WIBs valid data they can use as a baseline on green activity in their regions.

LMS is continuing to conduct job vacancy surveys for the 24 regions. It is adding an outreach question to its protocol, asking whether employers would like to be contacted by a WIB for help with any workforce issues they face. LMS is also looking at ways to address the limited data available for small, rural WIBs that are not a standard data reporting area, experimenting with methodologies for forecasting forward.

"Most of LMI is retrospective. It is like trying to drive a car while looking out the rear window. This only works if the road ahead is exactly like the road behind. Vacancy surveys give us a view of employers' future hiring expectations."

- Mason Jackson

Florida would like to prepare for the planned closing of the nation's space shuttle program. LMS is conducting a job vacancy survey to determine what other jobs might become available in Brevard County, where Cape Kennedy is located. A key piece of this project involves determining the skills shuttle-impacted employees have that would be transferable to other jobs. For this, LMS will begin working with TORQ™, the Transferable Occupation Relationship Quotient, an analytical tool developed by Workforce Associates, Inc. LMS will also start using TORQ™ to construct career ladders for the state.

Perhaps the most exciting thing LMS is doing is purchasing licenses for and working with the Conference Board's Help Wanted OnLine data series. This data series is created by "spidering" through both national and niche-market electronic job boards to develop a nonduplicative list of all job openings advertised on the Web. LMS can use this data to create real-time, actionable information on job demand in the state. *(For more information on the Help Wanted OnLine data series, see the case study on The Conference Board.)*

LMS is already using the data series to understand the demand for nursing in the state. State data show that there is a demand, yet individuals graduating from nursing schools do not always find jobs. LMS is using the OnLine data series to determine exactly where the openings are, providing this information both in tables and on maps. Brunell would like to see LMS go further, attaching unique identifiers (e.g., social security numbers) to individuals graduating from schools, and mapping their locations as well.

LMS plans to train the WIBs to use the OnLine data series to find job openings in which to place jobseekers. Jackson was an initial user of the OnLine data series, when it was being tested. Using the series, he said, let him know exactly what companies were hiring for what occupations. Job development no longer required cold calling. Job developers appeared more knowledgeable when they phoned employers as a result of having access to the job advertisements in the OnLine data series.

Jackson is partnering with economic development agencies in his region, learning which industries they are targeting so he can develop a workforce that matches. Now that LMS is determining labor demand—including employers' future hiring plans—Jackson suggested that LMS focus more of its studies on labor supply.

OBSERVATIONS

A number of insights can be gleaned from the interviewees for this case study:

- A key factor in success is customer service. Staff need to recognize that WIBs are their customers, and they need to meet the WIBs' needs. All staff need intensive training in customer service. Customer requests need to be answered quickly.
- Good customer service requires bridging the language gap. The first point of contact for the WIBs and other customers who call with LMI requests should be staff who can "talk WIB."

"LMS is analyzing the current skills and transferable skills of those working on the shuttle, creating cross walks and trying to determine how we can hold on to our talent."

- Stephen M. Urquhart

"TORQ™ provides a rigorous skills assessment to determine which skills are transferable."

- Andra Cornelius

- > A second key success factor for LMS is its strong relationship with WIBs and other customers. States that want to model this should begin their effort by visiting each of its WIBs, as Rust did, and making a “killer presentation.” If the LMI director is not suited for this, another staff person can be in charge of outreach. If the number of WIBs to visit is too large, the task can be divided among multiple staff people.
- > States that build a customer-focused LMI office should expect an increase in the demand for LMI services. Maintaining good customer service will require that the LMI office find ways to increase its efficiency, and may also require that the state devote more resources to the LMI office.
- > The LMS office thinks and acts like a consultant or a business partner, not as a bureaucracy. State government needs to support this mindset, giving the LMI office the freedom to make decisions independently and to act on them quickly.
- > The quality of the data provided by the state is important. Customers want real-time data and reports that laypeople can comprehend.
- > LMI offices should love their most aggressive WIBs. It is these WIBs that get the LMS office to push the envelope and try something new. The result can be better LMI for all of the state’s customers.
- > Training WIB frontline staff is critical. WIB staff need know how vital LMI is and how to use it to improve WIB services.
- > Success requires collaboration. To improve its services, LMS solicits feedback from WIBs and other customers. It collaborates with industry to conduct surveys. LMI offices cannot operate effectively in ivory towers.

“LMS works too hard. Not everything requires a fire drill.”

- Stephen M. Urquhart

“I don’t see the LMS office as part of government.”

- Richard Williams

CONTACT	INTERVIEWEES
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THE CONFERENCE BOARD

SUPPORTING WORKFORCE DEVELOPMENT

www.conference-board.org

The Conference Board is a nonprofit, nonpartisan, nonadvocacy global organization that develops and provides economic analysis and information for its members. Conference Board members include over 2,000 major international corporations and 600 educational and government members. Its products and services focus on supporting businesses in the areas of CEO development, citizenship and sustainability, diversity, economics, ethics, governance, human resources, leadership development, marketing, midsize businesses, operations, and risk management. In addition, it produces a number of economic indicators, including:

- > Leading economic indicators for the United States and nine other countries;
- > The Consumer Confidence Index;
- > Help Wanted OnLine;
- > The Employment Trends Index; and
- > CEO Confidence.

While The Conference Board targets its products and services at a business audience, many provide insight into workforce development issues, particularly the Help Wanted OnLine data series.

PURPOSE AND GOALS

The Conference Board's mission is to "create and disseminate knowledge about management and the marketplace to help businesses strengthen their performance and better serve society. Working as a global, independent membership organization in the public interest, The Conference Board conducts research, convenes conferences, makes forecasts, assesses trends, publishes information and analysis, and brings executives together to learn from one another."

The Conference Board and the workforce development system have a common interest in ensuring that employers can find the skilled workers they need. Both want to facilitate the match between job openings and employees, and both want to ensure that people receive education and training in the knowledge and skills employers seek.

"We help companies when we make it easier for them to find employees and help guide schools' education programs."

- June Shelp

HELP WANTED ONLINE DATA SERIES

The Help Wanted OnLine data series (HWOL) was first developed in 2005. For 55 years, The Conference Board had been publishing the Print Ad Help Wanted Index, which indicate trends in the number of help-wanted advertisements in the 50 largest U.S. cities. For decades, this index was the only published measure of labor demand, but it was limited, providing no information on the occupations and skills in demand. Developing a data series from electronic job advertisements offered many more possibilities.

To create the HWOL data series, The Conference Board uses a “spidering” program that “crawls” through the Internet and pulls all job listings for jobs in the United States, accessing both national job boards and job boards that cover niche markets. The program sorts these to eliminate duplicates, resulting in a universal list of jobs advertised electronically.

Because these listings are electronic, The Conference Board can provide not only a national data series about trends in job advertisements but also information for geographic regions or occupations. Currently, The Conference Board issues a monthly press release with data for each state, 52 urban areas, and occupations at the two-digit SOC (Standard Occupational Classification system) level.

With the HWOL data series, The Conference Board can calculate a supply/demand rate comparing the supply of individuals looking for work (those unemployed) to the demand for workers (jobs). This rate also can be calculated for specific geographic areas and occupations.

Because the data series is built from individual want ads, HWOL users can mine it for additional information. States and Workforce Investment Boards can use it to analyze job opportunities in their areas. In fact, users can drill down to find actual jobs and job skill requirements.

The HWOL data series enables workforce development professionals to analyze real-time job demand in significant detail. For example, they can look at the current number of openings for an occupation, then look at trends in the number of openings for the occupation, and finally look at the number of individuals on the unemployment rolls with the skills required for that occupation. If the number of job openings were declining or the number of individuals with the required skills were greater than the number of openings, workforce development professionals would know not to invest in training for the occupation, even if there were a lot of current openings.

This model can be taken even further, for example by comparing online job postings to the supply of graduates from local schools. It could also be improved with more accurate coding of the occupations and skills of individuals entering unemployment.

“The HWOL data series is different from anything that has been done before. It provides real-time data on what is happening now.”

- June Shelp

“The HWOL data series enables us to get into individual job orders to see what is required—tasks, skills and training.”

- Bonnie Graybill

The California Employment Development Department has used the HWOL data series to conduct a green jobs analysis. Standard classification systems—the North American Industry Classification System and SOC system—are of limited use, as a green industry and jobs are embedded in existing industry and occupation codes, and the coding systems do not pick up emerging trends until they have fully emerged. To get around this, EED staff searched the state’s job listings for words that implied green activity (e.g., LEED certified, energy auditing or retrofitting, photovoltaic cells). With this information, California could determine, for example, the percentage of architectural and plumbing job openings that were *green* architectural and plumbing openings.

June Shelp, a Conference Board vice president, believes that one of HWOL’s most valuable features is its time series data, collected from 2005, which can be statistically analyzed. Workforce development professionals can calculate changes in job skill requirements. They can look back to identify the point at which job demand or job skill requirements began changing, and can seek ways to identify and plan for other potential changes before they happen. The professionals also can determine which companies in their regions are early adopters. They can even calculate whether the American Recovery and Reinvestment Act’s stimulus funding led to an increase in jobs, and if so, which jobs.

According to Shelp, The Conference Board considers state labor market intelligence offices to be the primary customers of the HWOL data series. LMI offices, Shelp noted, could use the more detailed information, even if it is not easily understood by the general public. To capture this customer base, The Conference Board is turning the HWOL data series into a statistically reliable source of LMI and showing LMI offices the value of the data series.

State education departments would be good customers as well. Educators, Shelp noted, need to match their programs to companies’ needs. They need to prepare people for the workforce, and they can better do this if they know what skills employers are seeking.

New uses for the HWOL data series, Shelp said, are being discovered all the time. As states work with the series, they want different things from it, and The Conference Board is meeting their requests. According to Bonnie Graybill, California Employment Development Department Labor Market Information Division deputy chief, The Conference Board has met all of her requests. The Conference Board has added year-by-year comparisons and put a manual on line. The Conference Board has responded to all her questions within minutes.

“Because The Conference Board has retained all its original data, it can go back and apply any improvements it develops to the entire database, ensuring the consistency of the series.”

- George Putnam

“States need to be in sync with business needs.”

- June Shelp

“Job postings are a direct communication to the education community about training needs.”

- George Putnam

While **The Conference Board** focuses on the business community and employers, it also plays a liaison role between the business community and the academic community. It could play this same role between the business community and the government community. Some existing Conference Board products and products under development could provide significant information about future workforce demand and skill needs.

- > **The Employment Trends Index** is a leading indicator designed to give employers advanced notice of potential gains in employment.
- > **Strategic Workforce Planning** is a tool employers use to forecast their workforce needs three to five years in the future.
- > **The Employer Practices Locator** provides information on how employers are addressing the issue of the maturing workforce.
- > **Evidence-Based HR** is designed to measure the impact of training on company productivity.
- > **Employee Engagement** is a study of what influences whether an employee is completely engaged in his or her work.

Of course, the HWOL data series has problems. California found that it is weighted toward white-collar and pink-collar jobs. The series misses all jobs that are hired through union halls. Because of this, California's green jobs analysis undercounted crafts jobs. In addition, Graybill said, the system only saves filters. To save data, they must be downloaded.

The Conference Board has worked hard at refining its occupational coding. According to Graybill, The Conference Board has made many improvements in this area even in the short time her office has been using the data series. New filters have made the data cleaner and eliminated duplicate active advertisements. One-day jobs and third-party hires have also been dealt with.

George Putnam, an economist with the Illinois Department of Employment Security, agrees that The Conference Board has been committed to addressing technical matters in a competent and defensible way. While there are lingering issues, he said, The Conference Board is committed to maintaining the statistical properties of the series.

According to Shelp, now is the perfect time for states to begin using the data series. If they start now, they can work through the learning curve, and then be in a position to use the series to help people find jobs as the economy improves.

“The HWOL series has a good occupational dictionary. The Conference Board is using good analytical tools to classify occupations by O*Net codes. We are able to search by occupation and industry.”

- Bonnie Graybill

“Just launching a new data series is difficult.”

- June Shelp

ENVIRONMENT

The Conference Board was founded in 1916, as the Industrial Conference Board, to address the problems companies faced with labor unrest. Forward-thinking companies wanted to find ways to work with employees and to be responsible corporate citizens. To support these interests, the organization conducted independent research to produce objective information about the labor force, labor market, and wages.

To determine fair wages, The Conference Board began to look at the cost of living in different places; this eventually led to the development of the Consumer Price Index. Over time, The Conference Board has continued to conduct economic research and to develop economic indicators that help employers meet their goals while also meeting their responsibilities to society. Help Wanted OnLine is part of this history of research and indicator development.

FUNDING

The Conference Board is funded primarily by membership dues. It has received grants, such as Bill & Melinda Gates Foundation funding for research on postsecondary education and a U.S. Department of Homeland Security grant for research on sustainability. The organization only accepts grants if it funds research that has a business interest.

The HWOL data series was developed with funding from Career Builder, which then stepped back and let The Conference Board develop the series without any influence from it. Career Builder's interest was in producing an independent index that would compete with the Monster index, which was providing Monster.com with free press.

The Conference Board is now seeking to develop a sustainable revenue stream for the HWOL data series. It has set the price for access to the HWOL data series at about \$20,000 to \$24,000 per year for small states and \$150,000 to \$160,000 for large ones. For an additional one-third, states can purchase the database of on-line leads. To date, The Conference Board has sold licenses for using the series to Delaware, Florida, Oregon, Texas, and Washington.

The California Employment Development Department is using the data series on a trial basis while it seeks approval for the purchase of five licenses. EDD has stimulus funds that it can use for that purpose now, but has no extra money to cover the cost of staff working with the HWOL data series; this is handled, Graybill said, by redirecting staff priorities.

“While the HWOL series may have statistical issues, The Conference Board is as transparent as any aggregator in addressing them.”

- George Putnam

“The Conference Board’s goal is to provide a reliable data series that can be used by LMI professionals.”

- June Shelp

“When the economy is down, money for employment services is up.”

-Bonnie Graybill

Graybill suggested that the HWOL data series is so valuable that the U.S. Department of Labor's Employment and Training Administration should purchase the entire series and make it available to all states. A single buyer, she thought, would be able to purchase it at a lower cost than could all of the states if they were to purchase it separately.

PARTNERS

In developing the HWOL data series, The Conference Board brought in the right partners from the beginning. It hired an expert from the U.S. Bureau of Labor Statistics to help code the occupations. LMI research chiefs from a number of states serve in an advisory group that helps shape development, ensure the compatibility of the data series to existing data sets, and shape features in ways that better meet the needs of The Conference Board's primary customer group.

A key partner in the project is Wanted Analytics. This for-profit company takes the data in the series and publishes job lists. It also has created a user-friendly front end to the data series that facilitates access to the information. Both Graybill and Putnam found Wanted Analytics very responsive whenever they had questions about mining the data.

"We have good relationships with both The Conference Board and Wanted Analytics. They made themselves available to us during California's workday hours."

- Bonnie Graybill

RESULTS

Shelp believes that HWOL can improve labor market efficiency, better matching the supply of and demand for workers. If this occurs, the average length of time an individual spends unemployed will decrease. Not only would this benefit the unemployed individual, it would also reduce the cost of unemployment to the nation as a whole.

Graybill said that California had tracked the HWOL index for some time before experimenting with the data series. The state first made use of the series for the green jobs analysis discussed earlier. The California Employment Development Department had just one week to prepare this analysis for the California Workforce Investment Board's green jobs council. In that short period of time, The Conference Board and Wanted Analytics provided EDD with five demonstration licenses, trained themed staff, and helped them use the data series. California determined that 17,000 of the 897,000 job orders in the state (1.9 percent) were green jobs.

For several years, California has released a Labor Day briefing. In the 2009 briefing, the state provided information on recession-resistant jobs, identified in part by the number of job openings shown in the HWOL data series. California also used HWOL data in a variety of other presentations, responses to media requests, and legislative testimony.

"There is a time lag in the availability of most LMI. The HWOL data series has no time lag. It allows us to look at all jobs available in the last 90 days."

- Bonnie Graybil

California is using HWOL data in presentations to policymakers, as well as for talking points provided for policymakers' use in their own presentations. According to Graybill, policymakers are appreciative of the real-time data California EDD can provide from the HWOL data series. While HWOL data do not determine policy decisions, they are part of the basis on which the decisions are made and have an impact on California's grant solicitations.

One of the first uses the Illinois Department of Employment Security made of the data series was an analysis of the Rockford economy. Rockford had the state's highest unemployment rate, and the state's chief information officer wanted to understand that city's economy. Traditional LMI provided no data at the city level, but the HWOL data generated an overall picture of job demand in the city.

Carrying the analysis further, Illinois compared an index reflecting the ratio between number of unemployed and the number of job openings in Rockford to the same index for the entire state. Surprisingly, the Rockford index was lower than the state's, despite the fact that the city's unemployment rate was much higher. The HWOL data series helped to show the extreme skills mismatch between the city's unemployed and its job openings. Rockford had experienced large layoffs in manufacturing, while job openings were in health care. The health care worker shortage was so pronounced that Rockford's number of job vacancies were disproportionately higher than its already high number of unemployed.

Illinois also used HWOL's time series feature, comparing Rockford's job losses and gains in 2007 to those in 2009. This view confirmed the earlier analysis: Rockford was shedding manufacturing jobs at the same time that it was gaining health care jobs.

While California only made use of the HWOL data series, Putnam noted that Illinois is using both the HWOL data series and HWOL microdata. Putnam went to three One-Stop Centers and used the microdata to help people find job openings.

Traditional job boards, Putnam found, had occupational biases. Some would have most of the food-preparation jobs that were in the HWOL data but only a small percentage of the payroll clerk positions. Others might have most of the clerk jobs but few of the food ones. This, Putnam pointed out, speaks to the importance of spidering as a way to develop a comprehensive job board. But even with the benefit of aggregation, on-line job boards will be limited to positions that are advertised on line, he said, and will probably miss some positions, such as those in union trades and CEOs.

Putnam sees value in the HWOL data for both policy and program issues. With the HWOL series, all data are publicly available, with no data suppression and with consistency between the micro and macro numbers.

“With HWOL, we were able to go from having no information, to having job demand, then an index, and finally a comparison of two points in time.”

- George Putnam

“The HWOL data series is a repository of information that can be shared among labor exchange stakeholders, jobseekers, labor analysts, and education providers.”

- George Putnam

FUTURE PLANS

The Conference Board has been improving the accuracy and usability of the HWOL data series. Specific tasks for 2010 include a detailed study of location codes and geo-coding, improved identification of expired advertisements, and coding of green jobs.

California intends to use the HWOL data series to conduct analyses of the economy, industries, occupations, and job listings. The series would become part of the material it publishes on job needs and skill requirements, and it would be used to provide real-time information on job openings throughout the state.

California is considering paying to access the job listings and to add these to its state job board. It also is considering allocating a license to one of its out-stationed staff working directly with the WIBs in order to bring some of the benefits of the data series down to the WIB level. California would like to see The Conference Board improve the series by finding a way to add union hall job listings.

In discussing Illinois's future plans, Putnam noted that he was aware of the "dichotomous use" that could be made of the HWOL data series. He was pursuing its use for both labor market analysis and linking jobseekers to jobs.

"We need to be as good as we are and can be. We need to move from data to information."

- June Shelp

"We haven't had the luxury to think about how we can use this data to help One-Stop Centers."

- California Employment Development Department staff member

OBSERVATIONS

A number of insights can be gleaned from the interviewees for this case study:

- > The key benefit of the HWOL data series is access to real-time LMI. While the data series does appear to underestimate the demand for labor union trade jobs, it provides a more up-to-date picture of job demand for most occupations than do traditional LMI sources, and can be used in making policy and funding decisions.
- > Because the HWOL data series is built from individual want ads, the series can be used to find actual jobs. WIBs can use this information to help place their customers, or states can use it to increase the number of want ads on their job boards. It also can provide good information in deciding whether particular training programs should be funded or not.
- > Once analysts drill down to individual want ads, they can find actual job skill requirements, which they can use to guide education and training programs.
- > Funding access to the HWOL data series could be a barrier, which might be resolved if the federal government were to underwrite the cost of the series and make the data available to the public.
- > HWOL is an example of how private data providers and analysts are developing and providing access to workforce and labor market information. While The Conference Board can be a supplier to public LMI shops, it and other private providers can also become competitors. Public LMI shops must stay ahead of the curve if they want to stay in business.

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THE JOHN J. HELDRICH CENTER FOR WORKFORCE DEVELOPMENT

SUPPORTING ECONOMIC GROWTH WITH LMI AND ANALYSIS

www.heldrich.rutgers.edu

The John J. Heldrich Center for Workforce Development, located at Rutgers, the State University of New Jersey, was founded in 1997 to provide an independent source of analysis for reform and innovation in policymaking. The center was begun with an endowment from John Heldrich, chair of the New Jersey State Employment and Training Commission. He believed that the mismatch between the education and skill needs of industry and the education and skills that the New Jersey workforce brought to the labor market could be addressed substantially through more effective and timely analysis of the labor market in general, and labor market intelligence in particular.

Since 1997, the Heldrich Center has worked with private employers, industry associations, state departments of labor, local governments, and nonprofits to address this mismatch by evaluating employment and training projects, bringing to bear up-to-date labor market intelligence on employment and workplace policy, and helping to shape the growth of new and existing industries in New Jersey, as well as in New York City, Los Angeles, and other locations.

PURPOSE AND GOALS

The center's goal, as stated on its Web site, is to serve as "a laboratory to create innovative, applied solutions to well-documented workplace challenges. These include the gap between worker skills and employer needs; underperforming government programs; economic disruptions resulting from a globalized economy; and the persistence of poverty despite work."

Analyses conducted by the Heldrich Center are directly applied to shaping and strengthening economic and workforce development in New Jersey. According to a representative of Union County's Department of Human Services, who has an extensive background in economic development and city planning, agency administrators and policymakers have come to appreciate that recruiting firms to a region requires more than the typical array of economic development incentives. In addition to these incentives, a region must be able to offer, on fairly short notice, an educated and skilled workforce to perform the work. A solid understanding of labor market dynamics is critical to economic development decisions.

LMI APPROACH AND INITIATIVES

The Heldrich Center approaches labor market analysis from the perspective that quantitative data alone is an insufficient guide for making sound policy recommendations regarding education, training, and economic growth. Instead, what is required is rigorous analysis of the data and its conversion to useful information for policymakers and key stakeholders in the workforce and economic development arenas.

Combining Qualitative Research with Quantitative Analysis

Qualitative research, a key component of the Heldrich Center's analysis, is designed to provide a richer context for its quantitative analyses. An initial step in the center's work is to conduct multiple interviews with policymakers and other key stakeholders in the policy arena in order to get a sense of their priorities. The center's qualitative research also includes working with industry advisory groups to help frame the issue to be studied, conducting additional interviews with human resources and operations staff, and conducting focus groups and fielding surveys. This mixed-method approach to analysis has given the center a strong reputation as a valued partner in efforts to align economic and workforce development activities.

A great deal of time is spent by the center's staff thinking about the audience it hopes to reach with its work. In this sense, the center operates very much like a private-sector vendor, conscious of developing different products and pitches for different audiences. Its analytical products range from career maps that pictorially lay out pathways of the various advancement routes of occupations in targeted industries, to more detailed analytical reports of labor market dynamics, to summaries of action items and recommendations for policymakers.

For Mary Ellen Clark, Bio-1 Workforce Innovation in Regional Economic Development (WIRED) program executive director, the center provides a dashboard of indicators designed to provide a picture of the local economy, workforce, and educational system as it relates to the biotechnology and pharmaceutical industries. The dashboard is used to measure project performance and to provide an economic assessment of factors that affect performance. To this end, the center provides the executive director with data on student majors in the region, information on the career choices of recent graduates, and information on worker flows throughout the local labor market. For her, the center's ability to turn massive amounts of data into usable information is critical to her operations as executive director.

“It’s important to start with decisions that the clients make in identifying gaps in labor market information, and this always comes from qualitative analysis with key stakeholders vs. simply looking and quantitative data.”

- Aaron Fichtner

Maintaining Relationships with Clients

The center begins its work by conducting several interviews with its clients to develop an understanding of their needs before looking at the data. According to those interviewed for this case, the delivery of the final product is only the midpoint of the center's involvement with them, which extends to making its staff available to provide technical assistance as recommendations are implemented by practitioners on the ground.

The center emphasizes developing and maintaining a relationship with the endusers of its LMI analysis, long after the analysis is delivered. This is done as much for the benefit of the center as for the client, enabling it to improve its analysis based on feedback from clients. This practice, according to those interviewed, is less common than would be assumed, and has helped position the center as a premier source of LMI.

Initiatives

The center has applied its approach in a number of initiatives, with a variety of clients, from analyses of the workforce at Fort Monmouth for the New Jersey Governor's Commission to Support and Enhance New Jersey's Military and Coast Guard Installations, to an analysis of emerging skill needs for the New Jersey State Employment and Training Commission, to an analysis of workers displaced by the attacks on September 11, 2001.

In fall 2008, the Heldrich Center produced a report for the New Jersey State Employment and Training Commission, *Green Jobs in New Jersey's Energy Sector: Strategies for Building a World-Class Workforce for the State's Renewable Energy and Energy Efficient Industries*. The origin of this study was increasing state and federal interest in the emerging industry, coupled with a lack of good information on what constituted the green economy.

In addition to identifying key skills needed to fill occupations in the green economy, the report offered strategies "that state agencies and educational institutions can use to build a flexible pipeline of skilled workers that is ready to meet the need for green jobs as employer demand for new workers and new skill sets evolves." A key component of the research, and, indeed, a hallmark of Heldrich Center analyses, was the use of feedback from over 75 employers, educators, and other stakeholders, gathered from two industry workforce advisory councils convened by the New Jersey Department of Labor and Workforce Development.

As part of its approach to identifying skills needed for the green economy, the Heldrich Center makes extensive use of LMI. It is focusing on traditional jobs that need a "green layer," emphasizing the need to augment existing skills with skills appropriate for green jobs. According to the Heldrich Center, this type of analysis would be exceedingly difficult if it did not include conversations with employers in addition to quantitative data.

The Heldrich Center's report and recommendations to the state of New Jersey provided analysis beyond simply the number of jobs required to include an assessment of the knowledge, skills, and abilities needed to perform in green occupations. The study led to the development of a green jobs curriculum that is being introduced in several of the state's postsecondary institutions to address the increasing demand for these skills sets.

"I see a vast difference in quality between academia-based LMI analysis, like Heldrich's, and commercial services. There are critical quality and agenda differences."

- Betsy Garlatti

As with the green economy, the Heldrich Center has been instrumental in shaping education and workforce development programs that prepare individuals for employment in New Jersey's biopharmaceuticals industry. The center's analysis of the state's labor market found, among other things, that New Jersey's "higher educational institutions produce a relatively low number of students with several specific degrees in demand by the industry . . . [including] degrees in biochemistry, chemistry, animal science, and marketing, as well as master's degrees and doctoral degrees in a variety of scientific and business areas."

The motivation for this study began with a request from a business association, representing the region's biopharmaceutical firms, that needed up-to-date LMI to help with its plans for growth. The Heldrich Center supplemented publicly available data from the state's Commission on Higher Education and its Department of Labor and Workforce Development with data from a survey fielded to the state's 22 largest biopharmaceutical industry employers.

One outcome of the Heldrich Center study was the creation of a Bio Sciences curriculum that is embedded in the state's Bio-1 WIRED Program. According to Clark, the LMI and analysis has been critical not only in shaping the approach taken by Bio-1 but also in the initiative's application in the field (see box, "*The Heldrich Center, LMI, and Bio-1 WIRED Program*").

The Heldrich Center, LMI, and Bio-1 WIRED Program

Approximately 250 "big pharma" and biotech firms are located in central New Jersey, and Bio-1 WIRED focuses on six strategies to serve this growing industry:

- > Getting students interested in the industry by providing them information regarding salaries, advancement opportunities, occupations and skills;
- > Creating a consortium of biotechnology educators, from the K-12 through university levels, that will facilitate smooth career pathways through articulation agreements, mentoring, and professional development;
- > Transforming graduate education with the development of professional science Master's degrees that integrate business and science, and interdisciplinary Ph.D. programs in biotech areas;
- > Increasing bioscience workforce development with education and training opportunities. A "flak jackets to lab coats" initiative, for example, will focus on training and job placement in the bioscience industry for returning veterans;
- > Enhancing linkages between education and industry through internships, cooperative education, and mentoring; and
- > Facilitating globally competitive "biobusinesses" by encouraging collaboration between business and education, supporting bioscience startups, and leveraging global networks.

Betsy Garlatti, New Jersey Commission on Higher Education director of finance and research, has worked with the Heldrich Center since its inception, and on a variety of projects. A key service the center provides to the commission is assistance in analyzing the data produced by the commission and by the New Jersey Labor and Workforce Development Commission to assess the performance of college graduates in the state's labor market.

According to Garlatti, the LMI analysis provided by the Heldrich Center is essential to her work in completing state and federal reports on student performance. It is also essential in the Innovation Partnership Institutes, designed to improve the connection between college graduate programs, postsecondary curricula, and employer skill needs. Her office manages the institutes, which are funded by the state's Labor and Workforce Development Commission. In addition, the Heldrich Center supports the state Higher Education Commission's work in the Data Quality Campaign's Longitudinal Data System, created to provide state policymakers with data on student achievement over time.

The Heldrich Center has been instrumental in providing the LMI analysis that forms the backbone of New Jersey Next Stop (www.njnextstop.com), a youth-oriented Web site that provides information on occupations and skill needs in a range of industries. The Heldrich Center created the site in cooperation with an array of partners, including the State Employment and Training Commission, a Web site development company, state agencies, teachers unions, and businesses. The site is maintained by the SETC and the New Jersey Institute of Technology.

ENVIRONMENT

Much of the LMI analysis performed by the Heldrich Center is motivated by a common phenomenon: states typically provide a great deal of useful data, but the data are difficult to access and rarely located in a single place, and state agencies rarely are staffed to provide the level of analysis needed to turn the data into information that can be put to use in short order in developing market-driven workforce and economic strategies in states, regions, and localities.

The difficulties states face in turning data into information can, according to the Heldrich Center, act as a brake on economic growth and hinder decision making on the part of policymakers and other data consumers. To address this, the center devotes 25 to 30 percent of its work to gathering and analyzing quantitative LMI, focusing on several sectors. It then often combines these data with qualitative information to create reports and other products for a wide range of clients.

The demand for the center's services is not limited to New Jersey. It has conducted similar analyses for the Port Authority of New York and New Jersey and for the city of Los Angeles, as well as other clients. According to the center and the clients interviewed for this case, good LMI increases the efficiency of the labor market and increases consumer choice.

According to Aaron Fichtner, director of research and evaluation, the center relies on a range of sources of information for its LMI analyses, including traditional Bureau of Labor Statistics sources, Longitudinal

“The way workforce development used to do business was not conducive to helping economic development, and vice versa. A typical economic development strategic plan had 30 pages on economic development and one to two pages on workforce. Heldrich has helped us change this.”

- Bill Ingfield

Employer-Household Dynamics data provided by the U.S. Census, and Unemployment Insurance wage records provided through a contract with the state of New Jersey. The O*Net database of the BLS provides a foundational set of information, which the center uses to help start conversations with employers and to help them set priorities on which skills are most difficult to find among workers and jobseekers.

FUNDING AND PARTNERS

Funding for the Heldrich Center's activities comes from a variety of sources, reflecting its broad client base. Clients include the New Jersey State Employment and Training Commission; the Department of Labor and Workforce Development; the Healthcare Institute of New Jersey (the state's pharmaceutical industry association); the September 11th Fund; employers and employer associations; regional and county governments; postsecondary institutions; the Port Authority of New York and New Jersey; the National Governors Association; the National Science Foundation; and Goodwill International.

According to all interviewees, the diversity of funders and partners testifies to the center's reputation for providing high-quality, objective, and timely LMI. Moreover, the Heldrich Center tends to see its clients as partners, and their relationship feels more collegial than contractual.

“They want to get it [the analysis] right, and will work with us until we and they feel that they’ve got it right, and long after their report has been delivered.”

– Mary Ellen Clark

RESULTS

Aside from the significant amount of research that the center has conducted, and the recognition that it has received for its work, perhaps the most important result has been its influence in changing the way state and county agencies think about LMI. For Heldrich Center clients, LMI is a source of information that is used to improve the way the workforce, economic, and education systems operate.

One clear example of this is the work of the Heldrich Center with Union County's Department of Human Services. Bill Inglefield, special assistant to the director of the DHS, said that the LMI and analysis provided by the center enabled a far-reaching effort by his department to dramatically improve the quality of the labor force in Union County over the next several years. This is being achieved, in large part, with the Heldrich Center's assistance in providing a baseline analysis of economic, education, and workforce data, leading over 20 interviews to date with key regional stakeholders, conducting statistical analyses using various data sources, and helping to draft an economic development strategy for the county based on these analyses.

The strategic plan developed by the Heldrich Center and Union County DHS targets three industry sectors: health care; transportation, logistics, and distribution; and pharmaceutical and chemical manufacturing. Policymakers and economic developers in the county are using this analysis to recruit firms to the region. One-Stop Centers use the LMI analysis, including that on growth rate and wages, to explain careers to jobseekers, and postsecondary institutions use it to redesign curricula to accommodate the county's strategic plan.

According to Inglefield, it is too early to tell what the outcomes of the strategic plan will be, but the Heldrich Center's work with Union County DHS has helped it to "institutionalize a whole new way of working that didn't exist before (in terms of using LMI to shape strategy and outreach). DHS job developers have much more entrée as a result of Heldrich Center's analysis, and firms are more willing to engage with them because they are now providing them with information, not just making requests for placements."

FUTURE PLANS

In the near term, the Heldrich Center is helping the Federal Transit Administration determine the workforce needs of the country's public transit agencies. Over the longer term, the center is focused on building its expertise in specific labor market areas, including science, technology, engineering, and mathematics (STEM) occupations, the biopharmaceutical industry, the transportation industry, green jobs, and health care, with the aim of continuing its work of using LMI to better align education, economic development, and skills training.

OBSERVATIONS

A number of insights can be gleaned from the interviewees for this case study:

- > The Heldrich Center excels at taking a complex and complicated mass of data and turning it into useful, client-driven information.
- > The perception of objectivity by stakeholders is key to success, and being part of a university adds a great deal to this perception of neutrality and independence.
- > It is critical that organizations or agencies providing LMI are seen to have no real stake in the analysis that they provide. State universities are uniquely positioned to play this role. They are large and permanent, and partnerships with state LMI shops can be highly effective.
- > A primary challenge is determining which products are best suited to which audiences, including firms, educational institutions, nonprofits, jobseekers, counselors, students, and policymakers.
- > The sector work often includes consortia of employers in a given industry and often requires intensive effort to gain agreement among them on key occupations, expected shortages, and solutions.
- > Issues of competition and proprietary information often surface, but firms that are interested in making sure that there is a pipeline of students with the necessary education and skills to fill jobs can have success finding common ground.

"Without the center, my ability to support higher education and its efforts to help grow the economy would be impeded, particularly as the governor is emphasizing more and more data-driven decisions."

- Betsy Garlatti

"There is considerable political support because the Center comes across as a highly reputable and knowledgeable broker of LMI."

- Bill Inglefield

- > Conversations, interviews, surveys, and other research sources not only enable an LMI provider to more fully understand the context from which the quantitative data are drawn, but also to develop personal relationships with stakeholders and clients. These relationships deepen the sense of partnership, and help keep communications open long after individual projects have concluded.
- > High-quality LMI analysis engenders increased support for its work, which better positions the LMI provider to provide high-quality analysis.

CONTACT	INTERVIEWEES
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