

Putting America to Work: The Essential Role of Federal Labor Market Statistics

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Local Employment Dynamics Partnership Workshop

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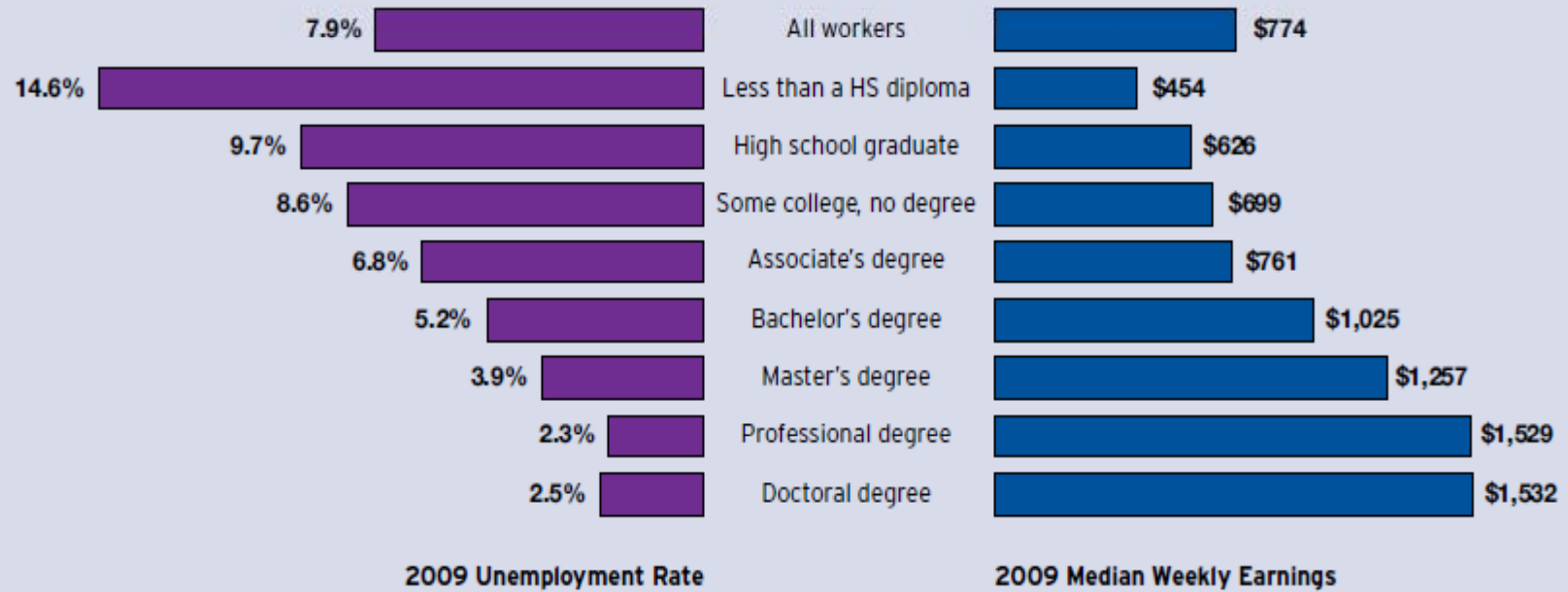
The Big Picture

- U.S. residents deserve the opportunity to have gainful, meaningful employment
- Challenges
 - Worker and community adjustment to constant industrial and technological change
 - Moving the economy out of the Great Recession

To Address These Challenges

- Workers need to raise their education and skill levels
 - A middle-class job increasingly requires a postsecondary credential
- Labor market participants—students, workers, educators, and employers—need to successfully negotiate more labor market decisions than before
- Participants and policymakers need access to good labor market information

Unemployment and Earnings by Educational Attainment, 2009



Source: Bureau of Labor Statistics, Current Population Survey

U.S. Labor Market Participants

- 140 million jobholders
- 39 million secondary and postsecondary students
- 14 million unemployed
- 6 million businesses
- 9 thousand business and technical training institutions
- 4,400 degree-granting postsecondary institutions making program decisions

Behind Persistent Unemployment

Labor market frictions in the deployment of human capital

- Recession-catalyzed structural changes
- Skills supply-demand mismatch
- Low graduation rate

These issues reflect information market failures

Federal Role in Labor Market Data

- Essential
- Decentralized, complex, and idiosyncratic
- Traditionally, serves federal needs
- Broader role mandated in Wagner-Peyser section 15
- Innovations provide substantial potential to address labor market frictions

Mandated National Employment Statistics System

- Mission—address the “needs of Congress, States, localities, employers, jobseekers, and other consumers . . .” as well as local workforce investment boards and students
- Responsibility—Secretary of Labor
- Management—BLS in collaboration with state LMI agencies
- Content—“statistical data ... that ... enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner”

Mandated National Employment Statistics System

- Data collection—by BLS and states, “actively seek cooperation of other Federal agencies” to ensure “complementarity and nonduplication”
- Data dissemination—wide, user-friendly, reliance on state systems
- Identification of user needs—through surveys and state consultations
- Strategic planning—BLS-state development of annual five-year plan
- Appropriations—budget requests based on five-year plan

Innovations in Labor Market Information

- Local Employment Dynamics (Census)
- Statewide Longitudinal Data Systems (NCES, ETA)
- Real-time LMI (ETA)
- Skills-based Transferability and Projections (ETA)
- Career Management System (ETA)

Assessing the Federal Labor Market Statistics System

The system does not adequately meet user needs with regard to:

- availability of current, accurate, detailed data
- easy accessibility and usability of datasets
- availability of web-based data analysis tools
- adequate access to technical assistance for data analysis

Assessing the Federal Labor Market Statistics System

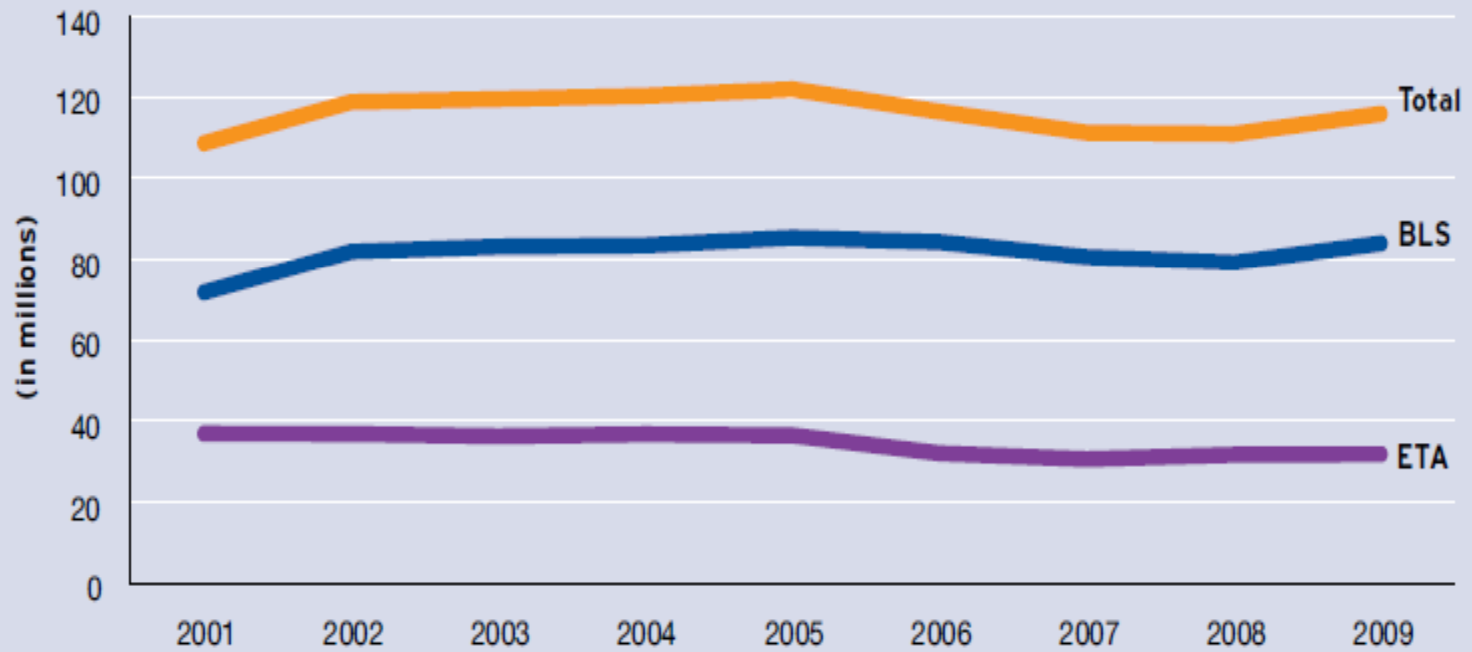
While the system publishes valuable datasets, a number of existing statistical programs:

- do not sufficiently cover topics and variables of interest
- have sample sizes that are too small
- collect or analyze some data too slowly
- have difficulty adjusting for market entrants, exiters
- need methodological improvements

Why the Federal System Falls Short

- Inadequate appropriations
- Insufficiently demand-driven
- Lack of coordination among statistical system agencies in service to a common vision

LMI Grants to States from BLS and ETA, 2001-2009



Note: BLS totals are for the fiscal year; ETA totals are for program year

Source: Office of Management and budget

The Good News

- Wagner-Peyser's legal foundation for a strong statistical system
- Transformative potential of innovative data efforts
- New WIC mission and priorities statement, and draft annual plan, that address several issues

Towards a New Federal Labor Market Statistics System

Mission: provide the data needed by labor market participants and policymakers to make well-informed decisions

Principles:

- Adequate appropriations
- Responsive to user needs
- Federal-state coordination and cooperation

Towards a New Federal Labor Market Statistics System

Priority actions:

- White House commitment
- Expanded federal funding
- Assessment of the economic and fiscal impacts of labor market statistics
- Secretary of Labor commitment
- Expanded, functional interagency forum

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