**Two-Year Plan for the Workforce and Labor Market Information System**

# Introduction

This document and its attachments constitute the two-year Workforce and Labor Market Information (WLMI) system improvement plan for fiscal years (FY) 2022-2023. The initial two-year plan for WLMI system improvements was prepared for Congress in 2020, and it provided Congress with the Secretary of Labor’s plans for improving the WLMI system at the state and national level. The two-year plan is mandated by Section 15(c) of the Wagner-Peyser Act, as amended by the Workforce Innovation and Opportunity Act (WIOA), (29 U.S.C. 49l-2(c)).

This plan includes a description of the current state of the WLMI system, including recent and ongoing improvement efforts, as well as recommendations from the Workforce Information Advisory Council (WIAC). This plan also includes an assessment of the WLMI system’s effectiveness in its current state, a description of state and local contributions to the nationwide WLMI system, an update on activities described in the 2020 two-year plan, and presents the Department’s plan for the next two years.

WLMI consists of the data and information utilized by businesses, workers, jobseekers, students, education and training providers, workforce development planners and policymakers, and others, to make informed decisions in areas such as hiring and advancement, career choice, curriculum development, and investments in training. The WLMI system includes the development and dissemination of occupational information, which describes the knowledge, skills, and abilities required for an occupation, as well as the activities and tasks performed. Since the passage of WIOA, the Department of Labor (Department or DOL), acting through the WLMI system, has made occupational information available for millions of employers, jobseekers, and researchers. Cataloguing over 900 occupations, the Bureau of Labor Statistics (BLS) and the Employment and Training Administration (ETA) maintain some of the largest databases of labor market and occupational information available online and make them available through web services and mobile devices.

The WLMI system administered by ETA and BLS, state and local governments, and grantees provides workforce information, online career tools, and performance outcomes information to assist students, jobseekers, and educators make decisions on training options and career choices. The WLMI system supports the public workforce system through both self-service access to information for individuals and for career counselors to help customers in American Job Centers (AJCs) and other points of service.

# Executive Summary

In the coming years, ETA and BLS plan to build on the WLMI system’s strong foundation by undertaking efforts to further improve the quality, relevance, and availability of data on employment dynamics, occupations, skill and credential requirements, and employment and training program outcomes. The Department will explore options and state practices for capturing information on the changing nature of work; enhancing workforce data to support its commitments towards evidence-based policy making; expanding state Unemployment Insurance (UI) files to contain more data elements; and ensuring diversity and inclusion for all American workers and job seekers, including those who have experienced marginalization, discrimination, and exclusion. Notably, in its Congressional Budget Justification for FY 2023, the Department requested an increase of $23 million in funding over the FY 2021 enacted appropriation level for the Workforce Information/Electronic Tools/System Building activity. This increased funding would provide substantial additional support for Workforce Information Grants to States ($8 million increase requested), initiate a new skills-based hiring initiative in partnership with the Department of Commerce ($10 million requested), support additional research and data collection on new and emerging occupations, and support the enhancement of features and usability of electronic tools such as CareerOneStop and O\*NET ($5 million requested).

Through these improvements, ETA and BLS seek to facilitate more robust, data-informed decision-making among their stakeholders. The Department envisions students, jobseekers, and historically marginalized communities having easy access to more comprehensive information about the job opportunities in growing industries and occupations, the skills and credentials needed for those jobs, where to find available training, and how to find help to ensure they succeed. The Department also envisions career counselors, educators, and service training providers with easy-to-use and insightful data on the employment landscape to better guide students and jobseekers on career choices; more effective assessment tools to identify participants’ skill gaps; and more complete information on the skills addressed by, and the success rates of, training programs. By improving the WLMI products and continuing vigorous outreach through our stakeholders and grantees, the Department is providing tools and actionable information to those who might not otherwise have easy access to information, in order to help reduce economic inequities and provide relief to all of those who have struggled during the COVID-19 pandemic.

Finally, the Department is looking forward to maintaining and improving the work between federal and state partners, as well as continuing public-private partnerships and data-sharing arrangements to produce time-sensitive workforce information.

# Section 1. Current Major Activities of the WLMI System

BLS and ETA currently support the production and dissemination of a range of WLMI products. Much of this activity takes place through federal/state cooperative programs, with state labor market information (LMI) offices working in partnership with BLS and ETA to produce workforce and labor market information to support informed decision making for a variety of customers. State LMI offices work closely with their stakeholders, such as Local Workforce Development Boards, AJCs, economic development organizations, and educational institutions, in addition to working directly with employers and jobseekers. LMI offices help produce state and local data such as employment, unemployment, and wage statistics including projections of in-demand jobs. The broad goal of LMI data is to help drive education and training decisions to meet the hiring needs of employers for a skilled workforce.

BLS Federal/State Cooperative Programs

The federal/state cooperative programs funded by BLS are the Quarterly Census of Employment and Wages (QCEW), Current Employment Statistics (CES), Local Area Unemployment Statistics (LAUS), and Occupational Employment and Wage Statistics (OEWS). BLS produces national employment projections and the online Occupational Outlook Handbook, which has occupational profiles to assist students and jobseekers with career decision making.

BLS interacts with the states on a regular basis allowing feedback to promote program improvements and efficiency. Examples include a National LMI Conference, BLS LMI Oversight Council meetings, and Program Policy Council meetings. These meetings are jointly managed by BLS managers and state LMI directors. BLS works closely with the Projections Managing Partnership (PMP) and the LMI Institute to provide needed statistical inputs from the BLS national employment projections program to the states’ programs. BLS also actively works with states through the National Association of State Workforce Agencies’ (NASWA) LMI Committee and the WLMI Partners group.

ETA Support for State and Local WLMI Infrastructure

ETA provides critical support to its state and local partners. The Workforce Information Grants to States (WIGS) provide funding for the development, management, and delivery of WLMI. The WIGS grants are issued annually in the summer and enable states to produce and publish state and local area estimates of the jobs in-demand from the occupational employment projections. States provide in-house expertise to state policymakers and to state and local workforce boards. The projections produced under these grants help to inform planning, training design, and career counseling among the workforce system, including education and training providers and other stakeholders.

Additionally, ETA provides funding to the PMP for developing and maintaining employment projections at the state and sub-state levels, while BLS independently creates the national employment projections. The PMP is a state consortium led by Alaska to develop and update software tools used to create state and local employment projections that are consistent across the nation. The PMP provides training and technical assistance for the software tools used to develop the state employment projections, and trains state staff when upgrades or methodology changes occur.

ETA funds the Analyst Resource Center (ARC) through a grant, which supports the work of the WIGS by ensuring that state workforce databases are current, complete, and consistent from state to state. This state consortium, led by the Minnesota Department of Employment and Economic Development, develops, maintains, and updates software tools and databases that ensure data consistency and data sharing across all states, particularly for the data products resulting from WIGS. The ARC maintains a set of national crosswalks (e.g., from Standard Occupational Classification (SOC) codes to other classifications, including military and civilian crosswalks), as well as an analytics platform that allows states and local areas to process state/metropolitan statistical area/census-tract data into local workforce-specific estimates consistent with BLS methodologies.

ETA oversees the nationwide network of over 2,300 AJCs, which provide a wide range of WLMI and employment services to jobseekers, career changers, and employers. AJCs provide information on other local services, such as career education and job training opportunities, which assist customers in achieving their goals of either finding employment opportunities or identifying qualified employees to meet the needs of local businesses.

ETA Support for National Electronic Tools

ETA supports both the CareerOneStop and O\*NET suites of websites, which provide critical information to the workforce system and many other users across all levels of education from K-16, through graduate school. The CareerOneStop suite of tools (<https://www.careeronestop.org/>) provides workforce development information and hosts nearly 30 million online visitors, resulting in over 10 million data requests per year. The CareerOneStop web application contains links to available in-person services for jobseekers, businesses, students, and career advisors, with a variety of free online tools, information, and resources.

The O\*NET system is the nation's primary source of qualitative information on occupational characteristics and requirements. The O\*NET database (<https://www.onetonline.org/>) contains information on hundreds of standardized and occupation-specific descriptors detailing knowledge, skills, abilities, tasks, work activities, and other characteristics for over 900 occupations. A key feature of O\*NET is that it contains both stable and dynamic descriptors which are updated at different frequencies. Stable descriptors are ones that do not change rapidly, such as knowledge areas, basic and crosscutting skills (for example reading comprehension), abilities, work context, work values, work styles, and career interests. Updates to dynamic descriptors, including associated alternate job titles and technology skills used (such as specific software, coding languages, computerized equipment, and similar), are provided on a quarterly basis.

# Section 2. Progress on the 2020 Two-Year Plan to Improve WLMI

In the 2020 Two-Year Plan, the Department described a plan to improve the WLMI system at the national, state, and local levels. Both BLS and ETA, individually and jointly, identified specific areas for improvement, including improvements suggested by the initial set of WIAC recommendations to the Secretary. While the plan was written prior to the onset of the COVID-19 pandemic, the Department made significant progress on most identified priorities. In addition, the pandemic created new data needs and opportunities for WLMI system development. BLS and ETA provide updates on the priorities identified in the 2020 two-year plan below.

#### Improve quality of local area data

BLS improved the quality of several of its local data products over the past two years. The Current Employment Statistics (CES) program, with the release of January 2022 data, introduced a new estimator that relies on current month variances instead of historical variances like prior estimators. The Occupational Employment and Wage Statistics (OEWS) program, with the release of its 2021 estimates, introduced [a new estimation method](https://www.bls.gov/opub/mlr/2019/article/model-based-estimates-for-the-occupational-employment-statistics-program.htm) and fully implemented the 2018 Standard Occupational Classification system.

In response to the COVID-19 pandemic, BLS modified some of its processes to better account for the historic changes and significant impact on the labor market. The Local Area Unemployment Statistics program made [refinements](https://www.bls.gov/lau/important-information-on-revisions-to-data-for-model-based-areas-in-2022.htm) to account for the sudden sharp increase in unemployment. To better account for employment declines caused by business deaths not captured by the sample, CES modified its [net birth/death adjustment](https://www.bls.gov/sae/notices/2021/modifications-to-the-current-employment-statistics-net-birth-death-model-with-the-october-2021-news-release.htm). In the spring of 2020, BLS modified its [imputation process](https://www.bls.gov/cew/additional-resources/imputation-methodology.htm) for Quarterly Census of Employment and Wages (QCEW) to be more responsive to current economic conditions.

#### Expand local area data

BLS published more local data over the prior 2 years. After receiving favorable feedback from stakeholders, the CES program started to produce state and Metropolitan Statistical Areas (MSA) diffusion indexes monthly. Diffusion indexes are useful in understanding state and local variation of employment changes.

Working collaboratively with the Bureau of Economic Analysis, BLS developed [research data](https://www.bls.gov/fdi/) on employment, wages, and occupations for establishments that have at least one foreign owner with at least 10 percent ownership during 2012. Geographic data are available at the national, state, metropolitan statistical area, and county levels of detail. Industry detail is provided for the total private level down to the industry group level.

In 2020, BLS updated previous research data on employment and wages for the [nonprofit sector](https://www.bls.gov/bdm/nonprofits/nonprofits.htm) for 2013, 2014, 2015, and 2017 to include size class breakouts.

The Job Openings and Labor Turnover Survey ([JOLTS](https://www.bls.gov/jlt/)), starting in October 2021 with the release of August 2021 data, began releasing official [state monthly estimates](https://www.bls.gov/news.release/jltst.nr0.htm). In addition, a JOLTS [research series](https://www.bls.gov/jlt/jlt_msadata.htm) for the 18-largest MSAs, those with 1.5 million or more employees, as determined by CES Metro Area Total Nonfarm TNF employment, were produced.

BLS debuted annual estimates of [state productivity](https://www.bls.gov/news.release/prin4.nr0.htm) measures in May 2021.

The COVID-19 pandemic, while posing challenges to BLS survey operations, also created a demand for new data. BLS created a central [webpage](https://www.bls.gov/covid19/home.htm), <https://www.bls.gov/covid19/home.htm>, for its COVID-19 related information. In the summers of 2020 and 2021, BLS fielded a Business Response Survey to the COVID-19 pandemic. This survey information, in combination with data collected by other current BLS surveys, will aid data users in understanding how businesses responded during the pandemic.

1. *Exploring the feasibility of medium-term employment projections*

Jointly, BLS and ETA have explored the feasibility of implementing medium-term state employment projections. A handful of states have implemented the methodology to produce state employment projections for 4 to 9 years in the future, to complement the required short-term (2-year) and long-term (10-year) state employment projections. More states are considering implementing medium-term projections; however, limited resources, both financial and staffing, may impact whether these states implement this new methodology. ETA will continue to work with the Projections Management Partnership and BLS to review and possibly revise the methodology based on the experiences of the states currently producing medium-term state employment projections.

1. *Enhance BLS IT systems and data processes*

In January 2022, the first 10 states began using the new QCEW IT system. The remaining states will transition on a rolling basis over the next 3 subsequent quarters. So far, feedback has been favorable. Once all states are fully transitioned, BLS can retire state supported systems.

In 2020, BLS retired the OEWS IT system that was decades old. The replacement system and related automated processes have supported reassigning resources from routine, manual interventions to tasks and coding that require an analyst's intervention.

1. *Explore new/alternative data sources for BLS data products*

BLS continues to work with its public and private partners to identify and pursue data sharing agreements. Currently BLS has signed memorandums of understanding (MOU) with the U.S. Census Bureau to explore how its Longitudinal Employer Household Data’s (LEHD) job-to-job flows can help inform JOLTS measures of labor turnover. BLS also renewed its MOU with the Bureau of Economic Analysis to continue foreign direct investment work.

BLS is also collaboratively working with its state partners to match states’ wage record microdata. Currently BLS has signed agreements with 5 states and is actively working with 10 additional states.

BLS published its [work](https://www.bls.gov/bls/congressional-reports/bls-reports-directed-by-congress-and-the-government-accountability-office.htm#congress) to date on new technologies and its impact on the labor market.

#### Improve dissemination and user experience

Not all users are the same. BLS addresses this challenge by releasing data and analysis in many ways. For example, BLS produces [videos](https://www.bls.gov/video/), [blogs](https://blogs.bls.gov/blog/), interactive [charts](https://www.bls.gov/charts/home.htm), and apps in addition to its many press releases.

1. *Updating and promoting O\*NET and CareerOneStop websites, web services, and open data*

Priorities from 2020 for ETA included updating and promoting the O\*NET and CareerOneStop websites, web services, and open data; improving the use of WLMI in WIOA state plans; exploring applications of behavioral interventions to improve outcomes related to WLMI use and presentation; and improving WLMI technical assistance for the workforce system.

The O\*NET taxonomy adopted the new 2018 SOC, initiating two major changes: 1) O\*NET now collects and publishes all SOC detailed levels, which was not previously the case, to provide descriptive data to match with statistical data on employment and wages; and 2) O\*NET added selected new and emerging occupations (particularly in cybersecurity) to the taxonomy and are in data collection. The O\*NET Resource Center made current and historical versions of the O\*NET database available in multiple file formats, which has facilitated research applications of O\*NET, including academic analyses of the potential impact of automation and artificial intelligence on work and workers. It has also released key O\*NET data files as open linked data in JSON-LD in CTDL-ASN format to support and further efforts to build an ecosystem connecting information on skills, credentials, competencies, worker requirements, and worker capabilities.

CareerOneStop conducted multiple webinars and launched an extensive social media marketing presence throughout the pandemic to assist jobseekers in finding the free online employment resources available within the site. CareerOneStop provided training to over 5,000 workforce professionals over the past two years through live, interactive webinars. Additionally, CareerOneStop expanded its social media outreach through Instagram, Spotify, and Pandora apps to reach customers who typically do not visit the CareerOneStop website for assistance in finding work, training, benefits, or local employment service help.

Recent research indicates that adding occupation-specific information to encourage customers to broaden their job search may be a promising avenue for promoting reemployment. ETA, DOL’s Chief Evaluation Office, and West Michigan Works (WMW), a workforce agency in Michigan, in collaboration with an independent contractor study team, are testing an “Informed Job Search” behavioral intervention designed to help customers seeking jobs overcome potential barriers to successful job search on WMW’s Weekly Hot Jobs! web page. The behavioral trial will examine to what extent simple, action-oriented information presented to job seekers on a job listing might lead them to consider an expanded job search (i.e., a larger range of job openings in occupations and industries for which they might be qualified). This short random assignment evaluation is expected to yield findings in late 2022.

1. *Launch Eligible Training Provider Scorecard*

ETA successfully launched the TrainingProviderResults.gov website on December 15, 2020. This culminated a multi-year, multi-Administration effort to publish performance results of individuals who received training services from state-designated eligible training providers. The site enables users to make informed career training choices based on the program's completion and employment results, determine best use of their individual training account allowances, and assist AJC staff with comparing the quality of programs offered by eligible training providers.

Under WIOA, all states must collect and report performance information on all WIOA Title I core program participants (Adult, Dislocated Worker, and Youth) served by each program’s state list of Eligible Training Providers (ETP). States submit an annual performance report to ETA, via the Workforce Integrated Performance System better known as WIPS. This report is comprised of performance information supplied directly by the state (either from the ETP eligibility determination or state records such as wage-matching), and data elements collected and reported by training providers to the state.

The website has several search features to easily locate and compare ETPs in a given area. The website allows users to compare programs of study nationally, locally within a state, and across similar fields of study. Consumers can compare WIOA performance outcomes and program costs and are able to filter selections based on program format, such as online, in-person, or blended format.

1. *Enhancing UI Wage Records*

Jointly, BLS and ETA continue to explore the feasibility of enhancing the state UI wage records collected from employers. Both agencies are participating in discussions with the U.S. Chamber of Commerce Foundation and the T3 Innovation Network’s Job and Employment Data Exchange ([JEDx](https://www.uschamberfoundation.org/JEDx)) project. This private-public partnership promotes standards for job descriptions and postings and standards for comprehensive employment and earnings records in the UI tax files.

The BLS LMI Oversight Council (BLOC) jointly with the Labor Market Information Institute sponsored and published a [report](https://www.bls.gov/advisory/bloc/ui-wage-records-report-january-2022.pdf) containing an up-to-date inventory of the employee-specific data elements being collected by the state UI programs, and how those data were being defined. This inventory would allow the BLOC to assess the extent to which state UI programs were adding more supplementary data elements to the wage reports, and the degree of variation among the jurisdictions.

1. *Other Relevant Research Activities from the past two years*

*State Data-Sharing and Data Analytics Training.* In addition to the activities cited above, ETA entered in a cooperative grant agreement from 2020-2021 with the Coleridge Initiative to enhance the capability of states for combining data sources, improving data analysis and visualization to inform policy makers and other data users. The goal of this initiative was to train state teams of policy analysts and researchers on the application of big data tools to real-world microdata on a secure computing platform known as the Administrative Data Research Facility (ADRF). The particular focus of this training series was on using data from the state of Illinois, training providers, and wage record data to examine the unemployment to reemployment trajectories of UI benefit claimants and visualize them in a dashboard. The results were to provide participants with (i) an understanding of how to work with similar data in their own state and (ii) the coding necessary to produce a portal similar to the Illinois portal. Coleridge organized four concurrent cohorts for the program, incorporating 108 participants from 27 states.

*Advisory Committee on Data for Evidence Building (ACDEB).* An important signal to the future potential for improving national data collaborations critical for timely, complete WLMI, are the efforts of the ACDEB. This 2-year federal advisory committee issued its [Year One report](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.bea.gov%2Fsystem%2Ffiles%2F2021-10%2Facdeb-year-1-report.pdf&data=04%7C01%7CFrugoli.Pam%40dol.gov%7C7aa2ba5df33448ed09e808da19b6e6a8%7C75a6305472044e0c9126adab971d4aca%7C0%7C0%7C637850570593675445%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=KKymzv%2BDyi9MiwHjrPwVk0QC7KGQsD2YeHnUKAACkSc%3D&reserved=0) in October 2021, recommending the need for a National Secure Data Service, a data-linking service to leverage high value non-public data, to improve capacity of the workforce system to meet the changing demands in labor market conditions, among other compelling national challenges.  During Year Two, the ACDEB will highlight uses cases, including focusing at a more granular level on challenges and opportunities in improving education and workforce data for evidence-building. The Department of Labor’s Chief Evaluation Officer serves on this advisory committee to advance those opportunities. The Committee’s Year Two report, with final recommendations for establishing a National Secure Data Service, will be available in October 2022.

*Career Pathways Research.* In early 2022, the Department’s Chief Evaluation Office (CEO) released findings from the [Career Pathways Descriptive and Analytical Project](https://www.dol.gov/agencies/oasp/evaluation/completedstudies/career-pathways-descriptive-and-analytical-project), in collaboration with ETA.  The project’s Career Trajectories and Occupational Transitions (CTOT) Study provides novel information on workers’ actual economic prospects and pathways over three-, five-, and ten-year time periods.  To complement the study’s findings, a new interactive [CTOT Dashboard](https://www.dol.gov/agencies/oasp/evaluation/resources/career-trajectories-and-occupational-transitions-dashboard) allows its users to interact with data utilized in the project.  It is a new source of labor market information that, together with other data sources, can be used to inform decisions that are responsive to the real-world experience of workers.  CTOT Dashboard users can explore: (1) how workers in mid-level occupations move through specific jobs and occupational clusters, and (2) how they experience wage growth over time. This information can be used by policymakers and practitioners to identify “launchpad” occupations associated with higher wage growth, look for clusters or occupational characteristics associated with wage growth, and understand where disparities exist and could be addressed.

*Mass layoff data collection project* The Department’s CEO, with coordination from its Chief Data Officer, built a new research database that captures advanced notices of major plant closings and layoffs. Although these notices are legally required to be posted online, they are scattered across individual states’ websites and presented in multiple formats. By scraping, cleaning, standardizing, and consolidating the data into a unified resource, CEO created a publicly available research database. The WARN database provides timely information about mass layoffs in the US, including layoffs due to COVID-19. In addition to its research applications, the WARN database currently supports ETA, BLS, and Census activities.

# Section 3. Evaluation of the WLMI System and Improvements Needed

## ETA and BLS collaborate to identify and engage stakeholders to evaluate the functioning of the WLMI system. In partnership with industry leaders, ETA and BLS advisory committees regularly seek feedback regarding the operations of the WLMI system, including challenges for data collection and analysis, and the needs of diverse stakeholders.

## *BLS Evaluation and Improvements Needed*

BLS evaluates LMI programs through several different methods. One of the methods is the BLS submission of an Annual Operating Plan for its programs, which include performance measures. BLS conforms to the conceptual framework of the Interagency Council on Statistical Policy’s “Guidelines for Reporting Performance by Statistical Agencies.” BLS measures accuracy, timeliness, relevance, dissemination, and mission achievement. These criteria are common among statistical agencies to measure performance and monitor continuous improvement.

A second method for evaluation is the comparison of actual accomplishments to the annual Associate Commissioner’s Memo, which spells out expectations and needed improvements for each program, including statistical standards the programs must meet. A third method is through internal BLS Program Reviews which are used to identify improvements in products and methods. This process evaluates against best practices, assesses resource allocations, provides for external review, and encourages proactive analysis. The recommendations are regularly monitored to assess progress and accomplishments. Documentation regarding BLS budget and performance can be found [online](https://www.bls.gov/bls/bls_budget_and_performance.htm).

## *ETA Evaluation and Improvements Needed*

One of the mechanisms ETA uses to evaluate the functioning of the WLMI system is engagement with key stakeholders who are users and producers of workforce data. ETA collaborates with BLS to administer the WIAC, which engages in national meetings and detailed discussions of the status of BLS and ETA WLMI programs. WIAC efforts culminated in a total of nine recommendations the WIAC submitted to the Secretary. In its report, the WIAC identified several key areas for WLMI improvement. For example, WIAC included a recommendation to enhance state UI wage records by including additional data elements such as occupational title, hours worked, and work site. This will enable much more in-depth analysis from the state UI data source and lead to improved understanding of career pathways and career ladders, better data on employment outcomes related to training and education, and more detailed state and local information on employment. WIAC recommended that the Department increase investment in the analysis of workforce skill requirements of current and emerging occupations, and further analyze the transferability of skills among industries and occupations. The WIAC’s recommendations are summarized in Section 5 of this document.

Further, through work studying the effects of automation on the workforce, ETA has identified the need for more real-time data on skills and competencies, and their changes over time, which are not necessarily associated with specific occupations. ETA and other federal agencies are increasingly recognizing that such information would need to be obtained through data mining of multiple sources, and the application of machine learning and natural language processing algorithms to organize and analyze the data for specific purposes. The need for such data was heightened by the rapid pace of labor market change during the early stages of the pandemic, as well as subsequent changes in the nature of work during the recovery.

O\*NET information is being used extensively in academic and other research on the potential impact of both automation and artificial intelligence on future skill and workforce needs, and its data are proving very valuable to these efforts. In particular, the Task information, along with other O\*NET descriptors, is being used to assess the relative “automatability” of various occupations—which occupations might decline over time, which ones may change regarding the nature of work performed, and which ones might increase in demand. Many of these efforts are documented at <https://www.onetcenter.org/initiatives.html#future-of-work>. To build on these efforts, the Department is exploring options for developing capabilities to increase the available information on changes in skill and competency requirements over time, likely in collaboration with multiple agencies, by means of supporting such data science analytics efforts.

Additionally, the final report of the Commission on Evidence-Based Policy recommended statutory or other changes needed to provide controlled access to and use of UI wage data for statistical purposes–referred to in the report as “state-collected administrative data on quarterly earnings.” The Commission recommended that federal departments that acquire state-collected administrative data make them available for statistical purposes. At present, there are limits on such data-sharing, even among federal agencies, which may require legislative or policy changes or the execution of multiple interstate memoranda of understanding.

# Section 4. Plans for the Next Two Years

In considering the input of the stakeholders described above, ETA and BLS weighed the costs and benefits of recommended improvements and determined their feasibility in the context of overall agency priorities, as well as agency budget constraints.

Through the improvements presented below, ETA and BLS seek to improve the quality and quantity of local data; enhance and improve IT systems; explore new and alternative data sources; improve both outreach and the customer experience; and ultimately facilitate more robust, data-informed decision making among our stakeholders.

The Department’s plans for improvements to the WLMI system are described by the priorities of BLS and ETA as provided below, and continuing priorities described above in the prior section.

State UI Wage Records Projects

*(BLS and ETA, WIAC recommendation 1)*

The state UI wage records are expected to enhance the quality of important data series, to allow for the production of new data series at more detailed industry and geographic levels in existing programs, and to allow for the production of new economic data at detailed levels of industry and geography.  BLS continues to pursue the acquisition of wage records through two venues: (1) through a partnership with the Center for Economic Studies, leverage the Census Bureau’s copy of the wage records obtained for the LEHD program, and (2) a multi-state pilot test where states submit wage records directly to BLS.  BLS continues to collect files from pilot states on a quarterly basis.  During the next two year, BLS will work to (a) match wage records to QCEW data, (b) design and develop a researcher access system that will allow for BLS research, (c) work to expand the number of pilot participants, and (d) facilitate state-driven wage record research agendas.

BLS is also entering into cooperative agreement with the Minnesota LMI office to produce two demonstration projects focusing on equity issues impacting the Minnesota workforce. ***Demonstration Project I –*** Analyze the Dynamics of Low-Wage Workers Labor Market.

* Analyze long-term unemployment and low-wage workers (those cycling into and out of jobs).
* Assess whether the economic rebound has corresponded to an improvement in the working conditions of low-wage workers.

***Demonstration Project II –*** Track worker mobility within the population of workers covered by the unemployment insurance program.

* Evaluate mobility by assessing whether new jobs are more stable, provide more hours, better wages, fewer interruptions, and/or less turnover.
* Isolate the impact of education, location, race, veteran status, age, and gender on outcomes.

The Department plans to continue participating and coordinating amongst public/private efforts to enhance wage records, such as the T3 Innovation Network from groups like the Chamber of Commerce Foundation and Credential Engine. Involvement in these efforts will enable the Department to gather additional input from stakeholders including businesses, states, and other non-profits to better understand concerns about and benefits of enhanced state UI wage records, including sharing the preliminary findings and experiences of pilot states. ETA will then make a recommendation on concrete actions that it can take on behalf of the Department to advance enhanced state UI wage records, including their use to advance better tracking of access to UI benefits.

Potential actions could include steps such as identifying best practices for uniform definitions of enhanced wage records so that comparisons across states are meaningful, offering sample text for state legislative changes, and providing technical assistance to implement the significant data collection changes. In doing so, it is important to address conflicts with existing federal regulations and state laws to support sharing such data with the parties that are best positioned to realize the expected benefits while ensuring confidentiality.

The Department recognizes that state agencies will need to identify funding sources to do this work, as the existing UI program funding generally cannot be used for this endeavor. Additionally, adoption of enhanced state UI wage records would likely be most successful using a phased-in approach. For example, states might begin implementation with larger employers in the first years, followed by mid-sized employers, then smaller employers.

The Future of Work

*(The Department, BLS, WIAC Recommendation #2)*

The Department’s Office of the Assistant Secretary for Policy (OASP) has convened a cross-DOL working group on the Future of Workers, including workstreams related to changing employment structures (especially the classification of workers), the impact of technology on workers and working conditions, and training and job quality. Part of this effort involves better understanding data collection opportunities, including around changing working conditions.

BLS will collect data on contingent and alternative work in July 2023 as a supplement to the Current Population Survey. The following year BLS will collect data about Work Schedules. BLS continues to explore how new technologies, including automation, are impacting the workforce. Through the Future of Workers group, Department agencies have already shared suggestions for BLS to consider in its revisions to the contingent and alternative work supplement to the Current Population Survey. In addition, BLS currently publishes several statistics related to remote work or telework both from the employer perspective and the worker.

Depending on the trajectory of the COVID-19 pandemic, BLS will either field a third business response survey to the pandemic or field questions designed to capture job posting information.

# Section 5. Summary of WIAC Recommendations

Section 15(d)(2)(B) of the Wagner-Peyser Act requires the WIAC to have 14 members, appointed by the Secretary, consisting of:

1. Four members who are representatives of lead state agencies with responsibility for workforce investment activities, or state agencies described in Wagner-Peyser Act section 4 (agency designated or authorized by Governor to cooperate with the Secretary of Labor), who have been nominated by such agencies or by a national organization that represents such agencies;
2. Four members who are representatives of the state workforce and labor market information directors affiliated with the state agencies responsible for the management and oversight of the workforce and labor market information system as described in Wagner-Peyser Act Section 15(e)(2), who have been nominated by the directors;
3. One member who is a representative of providers of training services under WIOA section 122 (Identification of Eligible Providers of Training Services);
4. One member who is a representative of economic development entities;
5. One member who is a representative of businesses, who has been nominated by national business organizations or trade associations;
6. One member who is a representative of labor organizations, who has been nominated by a national labor federation;
7. One member who is a representative of local workforce development boards, who has been nominated by a national organization representing such boards; and
8. One member who is a representative of research entities that use workforce and labor market information.

The Secretary must ensure that the membership of the WIAC is geographically diverse, and that no two members appointed under clauses 1, 2, and 7, above, represent the same state.

Through a series of WIAC meetings and numerous subcommittee deliberations, which included reviews of existing products, programs and initiatives, discussions with subject matter experts, and consideration of public comments, the WIAC examined many areas and elements of the workforce and labor market information system. Below are nine recommendations, all with unanimous support from the WIAC members. The first three recommendations are from the WIAC’s 2021 report, *Many Americans are Struggling and Need Better Information to Make a Comeback*. The remaining six recommendations were voted upon by the WIAC in its May 2022 meeting. The Department’s formal response to the WIAC on its the latter six recommendations is forthcoming under separate cover, and the Department will consider these recommendations in implementing the activities presented in this plan and any additional WLMI-related activities in the coming years.

1. **Advocate for the Adoption of Enhanced Unemployment Insurance (UI) Wage Records by including Information on the Occupational Job Title(s), Hours Worked, and Job Site Location.**

The WIAC recommends the Secretary support the inclusion of additional data elements from employers to state UI wage records, including occupational title, hours worked, and work site location. The COVID-19 pandemic’s impact on the labor force revealed the importance of having more accurate WLMI available at the local level. WIAC notes that enhanced state UI wage records would enable federal agencies, states, local areas, and other stakeholders to address many labor force questions that they cannot currently answer. Enhanced state UI wage records, when cross-matched with other data sources (e.g., higher education, demographic data), would allow for greater insights into the labor market dynamics within occupations. Currently, most state wage record data from employers only report industry. Enhanced state UI wage records could also distinguish full-time from part-time positions to avoid misrepresentation of compensation among the same job titles. Further, enhanced state UI wage records could provide source data to evaluate the effectiveness of training programs in preparing individuals for intended occupations, and to track career paths over time. Finally, enhanced state UI wage records have the potential to eliminate the need for the labor-intensive OEWS survey of employers. Instead, administrative data could allow OEWS federal and state program staff to spend resources on quality control, program integrity, and analysis of the occupational information provided through the enhanced UI Wage Record, if BLS were authorized access to those records.

1. **Improve Data and Information on the Changing Nature of Work through a Department of Labor Working Group.**

The WIAC recommends the Secretary of Labor create a departmental working group to facilitate improvements in publicly available data and information on the changing nature of work—including trends in contingent and alternative work arrangements, the rise of remote work, and the impacts of technological change. WIAC specifically recommended that the working group be chaired by representatives of the Department’s Office of the Secretary, and include representatives of the Assistant Secretary for Policy, the Commissioner of the Bureau of Labor Statistics, and the Assistant Secretary for Employment and Training.

1. **Adequately Fund State Workforce and Labor Market Information (WLMI) Infrastructure to Meet 21st Century Demands for Data-Driven Decision-Making.**

The WIAC recommends the Secretary of Labor request Congress to double the funding provided through ETA and BLS for state WLMI offices to administer WLMI functions, as well as the funding provided to ETA and BLS to support that work at the state level. The WIAC noted almost 20 years of declining funding for WLMI in real terms and asserts that restoring state WLMI funding to adequate levels is necessary to ensure that WLMI infrastructure can maintain its structural integrity and meet current program needs. Current funding levels, which are lower than 2003 levels in real terms, are inadequate according to the WIAC to meet today’s demand for more localized, timely, and nuanced data to aid our economic rebound. The WIAC notes that relevant, accurate, and actionable WLMI is integral to a well-functioning labor market, especially in periods of extreme economic change. The WIAC also notes that with additional funding, WLMI products could provide more granular details on who is doing what in the local labor market at any given time, what the structures of specific jobs are, and where those jobs are being performed. This information could help individuals, businesses, and policymakers adapt to an evolving economy over the long-term. WIAC points out that ETA funding to support state WLMI office activities decreased 28 percent in 2019 dollars, and funding from BLS declined 21 percent in 2019 dollars.

**Recommendation 4. Support immediate action to establish a National Secure Data Service (NSDS).**

This recommendation suggests the Secretary work with Congress on proposed legislation to establish the NSDS and provide adequate resources and accurately reflects the Department’s needs, as well as the needs of state and local governments. Additionally, the recommendation asserts that the Department should engage with OMB if it promulgates regulations on the NSDS, and engage in discussions with Congress to address questions on the proposed NSDS, such as those raised by the Congressional Research Service in its August 2021 report, about where the NSDS should be housed, how long the data should be saved, and what technologies are available to facilitate data sharing and data protection.

**Recommendation 5. Articulate the key principles that must be adhered to in the design of the NSDS.**

The WIAC recommends t**he NSDS reside as a public-private partnership outside of the federal government statistical infrastructure and be available to state agencies and their research partners. Additionally, the recommendation asserts that the NSDS should have interagency representation on its oversight body, users of the NSDS should maintain complete control of their own data**, and t**he NSDS should support capacity building within the public sector. The WIAC suggests that the design of the NSDS should** emphasize both the need for a public-private partnership and the engagement and capacity-building of state and local partners.

The WIAC considers these attributes critical to a well-functioning NSDS:

1. Transparency and trust
2. Legal authority to protect privacy and confidentiality
3. Independence
4. Legal authority to collect data from agencies
5. Scalable functionality
6. Sustainability
7. Oversight and accountability
8. Intergovernmental support

**Recommendation 6. Publicly commit to DOL’s engagement with the newly established NSDS.**

The WIAC suggests that ETA and BLS should both be engaged in planning for the potential NSDS to advance evidence building around UI and workforce development programs.

The recommendation suggests that the DOL [Fiscal Year (FY) 2022-2026 Evidence-Building Plan](https://www.dol.gov/sites/dolgov/files/evidence/evidence-building-plan-fy2022-2026.pdf) and [FY 2022-2023 Evaluation Plan](https://www.dol.gov/sites/dolgov/files/evidence/eval-plan-fy2022-2023.pdf) in light of the development of an NSDS, be revised to more intentionally capitalize on interagency and intergovernmental data sharing and broaden the agency’s learning agenda.

The WIAC recommends at least three high-impact data uses for NSDS pilot project, at least one of which will have near-term benefits to workforce systems across the nation. Examples can be gleaned from the ongoing work of the Midwest Collaborative to develop unemployment to re-employment business intelligence tools. The WIAC further recommends ETA dedicate a percentage of future Workforce Data Quality Initiative funding for state projects to take advantage of the potential NSDS.

**Recommendation 7. Direct BLS and ETA to co-author a plan for improving DOL-supported data on job openings based on input from the associations representing state WLMI agencies (LMI Institute, NASWA).**

The WIAC recommendations state that if job openings data were available in greater occupational and sectoral detail at smaller levels of geography, the abilities of employment service agencies, education and training organizations, and employers to successfully match jobseekers and open jobs would improve significantly. The recommendations suggest an improvement plan to address the relative costs and benefits of expanding the monthly [JOLTS](https://www.bls.gov/jlt/) to include greater industry and new occupational information at the state and local levels. Additionally, WIAC recommends that DOL consider the relative costs and benefits of increasing WIGS funding at a level sufficient to enable each state to conduct job vacancy surveys in targeted industries and occupations as needed and as a valuable complement to JOLTS. The WIAC also recommends seeking opportunities to improve WLMI through utilization of the [National Labor Exchange (NLx) Research Hub](https://nlxresearchhub.org/) as it applies to job openings and labor turnover data.

**Recommendation 8. Direct ETA’s Office of Unemployment Insurance (OUI) and the Secretary’s Office of Unemployment Insurance Modernization (OUIM) to obtain state agency input regarding how DOL can best provide UI grant funding to expand state capacity to gather and effectively use current, reliable UI data in support of UI claimants finding new work.**

The WIAC believes greater availability of reliable trend data on the number and characteristics of UI claimants by state and local area would improve the capacity of state and local workforce agencies to assist UI claimants in finding new work.

**Recommendation 9. Direct OASP to prepare a report, in consultation with ETA and BLS, for the Secretary’s consideration that: a) identifies public and private data sources which have the potential to build evidence regarding workers' experiences and challenges in seeking and finding new jobs; and b) suggests options for DOL agencies to use these data sources to help address barriers that workers experience.**

The WIAC recommends OASP include the following data sources in the initial report — Current Population Survey supplements; AJC case management systems; commercial employment websites; and data collected by federal contractors at the direction of the Office of Federal Contract Compliance Programs (OFCCP). Further, the WIAC recommends OASP consider the following DOL program agencies as potential users of data on workers’ experiences: BLS, ETA, Women's Bureau, Veterans' Employment and Training Service, and OFCCP. The WIAC believes the importance of better understanding and addressing the barriers workers experience in the search for work is beneficial, and significant opportunities to analyze existing public and private datasets will allow for a better understanding of how to address barriers and challenges experienced by workers as they seek work and career advancement. Examples of such barriers and challenges may include employers’ reluctance to hire older workers, employers’ reluctance to hire the formerly incarcerated, applicants without sufficient skills and education, arbitrary credential requirements, biased Artificial Intelligence-based algorithms, language and access barriers, credit screening, irregular work history (e.g., time away for children, day laborer), and impediments to applying (e.g., expectation of bias, intimidating requirements, poor benefits).

# Attachments/References

* WIAC Recommendations: *Many Americans are Struggling and Need Better Information to Make a Comeback, August 2021*
* Secretary of Labor Response to August 2021 WIAC Recommendations
* WIAC Recommendations: *Supporting a Full Recovery: Recommendations of the Workforce Information Advisory Council, May 2022*