

**Workforce Information Advisory Council
Initial Report to Secretary of Labor
December 2016**

THE WORKFORCE INNOVATION AND OPPORTUNITY ACT'S COMMITMENT TO WORKFORCE AND LABOR MARKET INFORMATION

The Workforce Innovation and Opportunity Act of 2014 (WIOA) affirmed and expanded Congress's commitment to a workforce and labor market information system that supports a wide range of labor market decision makers.

The Act requires that national, state, and local workforce information be developed, provided, and used for purposes including designation of local workforce areas, development of regional workforce plans, identification of in-demand industries and occupations, and development of workforce system performance measures.

WIOA represents the latest evolution of a labor market statistics system that started in the 1940s. While the system initially focused on development of a small number of core employment and unemployment statistics, primarily for federal policy-making purposes, its role has expanded enormously in recent decades, particularly as a result of the Workforce Investment Act of 1998 (WIA) and of WIOA. For example, in WIA, Congress emphasized that labor market information should improve the functioning of state and local labor markets by providing labor market participants – students, workers, educators, employers – the information they need to make good decisions.

In WIOA, Congress retained many of the mandates and expectations of WIA, while strengthening the governance structure for the nation's workforce and labor market information system in three ways. First, WIOA gave the Department of Labor's Employment and Training Administration shared responsibility, with the Bureau of Labor Statistics, for the federal leadership and management of the workforce and labor market information system. Second, WIOA re-emphasized the requirement that the Secretary of Labor develop a two-year plan for the improvement of the nation's workforce and labor market information system. And third, WIOA established the Workforce Information Advisory Council (WIAC), consisting of a diverse array of labor market information developers and users, to provide direction and feedback on labor market information effectiveness and customer needs.

WORKFORCE INFORMATION ADVISORY COUNCIL

The Workforce Innovation and Opportunity Act requires the Secretary of Labor to "formally consult at least twice annually with the Workforce Information Advisory Council to address:

- 1) the evaluation and improvement of the nationwide workforce and labor market information system and statewide systems that comprise the nationwide system, and

- 2) how the Department of Labor and the States will cooperate in the management of those systems.”

WIOA defines the nationwide system as including “programs to produce employment-related statistics and State and local workforce and labor market information.”

The WIAC accomplishes its responsibilities by:

- 1) Studying workforce and labor market information issues;
- 2) Seeking information on innovative approaches, new technologies, and data to inform employment, skills training, and workforce and economic development decision making and policy; and
- 3) Advising the Secretary on how the workforce and labor market information system can best support workforce development, planning, and program development.

The WIAC’s membership, defined in WIOA, reflects a variety of data development and user groups: state workforce agency directors, state labor market information directors, trainer providers, economic development entities, business or trade associations, labor associations, local workforce boards, and research organizations.

WORKFORCE AND LABOR MARKET INFORMATION

The workforce and labor market information system collects, analyzes, and disseminates a wide range of information, from basic employment statistics (unemployment rates, industry employment levels) to complex analyses of topics such as in-demand occupations or the employment challenges of rural areas.

The information attempts to answer questions like, but not limited to, the following:

- How many individuals are unemployed, and how long have they been unemployed?
- How many job vacancies exist, and in which occupations?
- What education and training is needed so individuals are prepared for the jobs of today and of the future?
- What are the wages for different jobs in different geographic areas?
- Which industries and occupations are growing? Which are declining? Which have the most need for trained workers?
- Which industries/sectors should be targeted for special attention and service from the workforce system?
- Why fewer young people are actively engaged in working or looking for work? And what can/should the workforce system attempt to do about that?
- What are the differences between the employment pictures in rural areas as compared with urban areas?
- What careers offer the best long-term prospects for young people and for adults who are retraining?
- Which workforce-related college training classes should be the highest priority for public resources?
- Do those served by the nation’s workforce system find jobs? Do they stay employed? Do their wages rise over time? Are they satisfied with the services they received?

THE CRITICAL NEED FOR WORKFORCE AND LABOR MARKET INFORMATION

Accurate, objective, relevant, timely and accessible workforce information is essential to effort to build a skilled workforce to support economic growth and to build pathways to economic opportunity.

The labor market cannot function efficiently without information that can support the decisions of students, workers, educators and employers and of workforce policy-makers, frontline workforce system staff, and state and local workforce boards.

SERVING A BROAD RANGE OF CUSTOMERS

The workforce and labor market information system has a priority, focused responsibility to serve the broader workforce system. However, the workforce and labor market information system actually serves a much broader group of customers than just the workforce system. Additional key customer groups include private sector businesses (whether they are currently hiring or not); elected officials; news media; economic development organizations; education policy and planning organizations; consultants and other professional data users; federal, state, and local government agencies.

Many workforce information needs can be grouped into four priority areas.

Priority 1: Informing Career Decisions of Students and Adults

Students and workers of all ages are constantly making decisions about their careers, identifying career interests and goals and plotting an education and training pathway. Uninformed decisions have great costs to students, workers, government and society.

- What education and training is needed so individuals are prepared for the jobs of today and of the future?
- What are the wages for different jobs in different geographic areas?
- What credentials, degrees and certificates should students and workers obtain to assist them to meet their career goals?

Priority 2: Aligning Workforce and Education Investments with Industry Needs

In a rapidly changing economy, the skill requirements of employers are constantly changing and evolving. Education and workforce must keep pace with these changing requirements, while preparing students and workers with the skills that will help them find a job in the short term and be prepared for a career in the long term. Workforce programs must be developed to help close skill gaps and address mismatches that exist between the demand and supply for workers.

Current needs

- What are the differences between the employment pictures in rural areas as compared with urban areas?
- How many job vacancies exist, and in which occupations?

- Which industries and occupations are growing? Which are declining? Which have the most need for trained workers?
- Which industries/sectors are experiencing skill and worker shortages and gaps and should be targeted for special attention and service from the workforce system?
- Which workforce-related college training classes should be the highest priority for public resources?

Future needs

- What careers offer the best long-term prospects for young people and for adults who are retraining?

Priority 3: Understanding the Characteristics of the Workforce

Information on the characteristics of the workforce can help employers make location and hiring decisions and can help workforce programs and state and local governments identify populations who should be the focus of new programs.

- What are the skills and experience of the workforce in a specific geographic area?
- Why fewer young people are actively engaged in working or looking for work? And what can/should the workforce system attempt to do about that?
- How many individuals are unemployed, and how long have they been unemployed? What are the characteristics of the unemployed? What barriers do they face to employment?

Priority 4: Determining the Effectiveness of Education and Workforce Programs

Each year, federal and state governments spend significant funds on education and workforce programs designed to assist individual's to obtain employment and to find careers.

- Do those served by the nation's workforce system find jobs? Do they stay employed? Do their wages rise over time? Are they satisfied with the services they received?
- Which education and training programs are most effective at preparing individuals for employment and careers?

PRINCIPLES FOR WORKFORCE AND LABOR MARKET INFORMATION

In order to be useful to the customers and for the purposes listed above, workforce and labor market information must be:

- Accurate
- Objective
- Relevant
- Timely
- Accessible

In order to fully meet the needs of the wide-ranging customer groups described above, the workforce and labor market information system must be:

- Demand-driven: seek to address known customer needs.
- Collaborative: ensure that all relevant federal agencies, as well as state workforce and education entities, work together for the greater good.
- Respectful of legislation: be mindful of federal and state laws that are relevant to statistical and workforce information agencies – data collection, data sharing, confidentiality, etc.
- Innovative: take advantage of changes and improvements in data collection, data sharing, administrative records.

IDENTIFYING KEY PRIORITIES

The Workforce Information Advisory Council held its first meeting in July 2016.

Prior to and during that meeting, the WIAC sought input, relevant to its chartered responsibilities, from various constituent groups, particularly including state labor market information directors and those who chose to attend and comment at the WIAC meeting.

During the meeting, WIAC members conducted a classic, though rapid, Strengths, Weaknesses, Opportunities, Threats analysis. Members then identified their 3-5 personal top priorities for improvement of the nationwide workforce and labor market information system. This resulted in a list of 50 ideas for improvement, some of which were duplicates or near-duplicates. These 50 ideas for improvement were categorized into five broad themes:

1. Funding: concern about stagnation of funding levels; desire for more flexibility in the use of funding.
2. Access to data and collaboration: desire for more collaboration and coordination between federal, state, and local entities; desire for easier and better data sharing.
3. Data quality: concern about data quality for some state and local data series; desire for more timely updates to key data definitions.
4. Use of data: desire to improve the customer data experience; desire to provide and improve training for workforce system customers; desire to see workforce and labor market information more fully and widely used.
5. Research and data gaps: desire to improve data available from administrative records; desire to better define and measure “new jobs” (e.g. gig economy).

The WIAC met again in November 2016. During that meeting, members narrowed the list of initial priorities and started the process of developing detailed recommendations for the Secretary of Labor. The group also listened to public comment on a variety of related topics.

The WIAC will meet again in May 2017, with the intent of finalizing its first set of recommendations to the Secretary of Labor. Those recommendations will be provided by June 30, 2017.

LIKELY KEY PRIORITIES

While the WIAC is not yet ready to provide formal recommendations to the Secretary, we recognize that it may be helpful, during this time of administration change, to inform the Secretary of the likely direction of the WIAC recommendations.

As of December 2016, we believe it likely that the WIAC's June 2017 recommendation will focus on the following:

- Enhancing and expanding the use of Unemployment Insurance wage records, to include (at a minimum) hours worked and occupations across all states.
- Capturing information on both traditional and alternative work arrangements, i.e. measuring “the gig economy.”
- Improving data sharing across federal, state, and local agencies
- Developing and improving state and (especially) local workforce data
- Developing new tools and data visualizations

CLOSING STATEMENT

Members of the Workforce Information Advisory Council appreciate the support and collaboration of leadership and staff from the Employment and Training Administration and the Bureau of Labor Statistics.

We look forward to working collaboratively with the Secretary of Labor to fulfil our shared responsibility for the national, state, and local workforce and labor market information system. We welcome comments and questions on this initial communication, and we intend to submit our first formal recommendations in June 2017.