

Industry vs. Occupation Data:

We know where graduates go, but what are they actually doing in the workforce?

CURRENT INVESTMENTS IN LABOR MARKET DATA

Congress and states have invested heavily, but not enough, in recent years to improve education and workforce research.

Major grants have come down from the federal government to better match administrative records in order to longitudinally track the education to workforce pipeline. They include the Statewide Longitudinal Data Systems (SLDS)/P-20 grant and a Workforce Data Quality Initiative (WDQI) grant, administered in Washington by the Office of Financial Management **Education Research and Data Center (ERDC)**.

The federal Workforce Innovation and Opportunity Act (WIOA) furthers the effort to enhance data by calling on states to think innovatively, working closely with partner agencies, to better measure program and client outcomes. In Washington, these efforts are led by the **Workforce Training and Education Coordinating Board** and researchers at the **Employment Security Department** and other agencies.

WIOA also created a 14-member Workforce Information Advisory Council to advise the U.S. Secretary of Labor. SPEEA, IFPTE Local 2001 represents labor nationally on this Council.

WHAT'S MISSING?: OCCUPATION DATA (& GREATER FUNDING)

At the core of workforce data is the use of Unemployment Insurance (UI) wage records, filed on a quarterly basis by most employers for their active workforce. **Unfortunately, unlike industry or wage data, occupation data is not currently collected on UI wage records or any other administrative record accessible by researchers or public officials.**

Based on existing UI wage records in Washington State, we know when employees are hired/laid-off, what industry they are working in, how much they make and their hours. We don't know, based off this data, what they are actually doing in the workforce because there is no field for occupation. For example, is an IT graduate at Nordstrom's working as a retail clerk or a software engineer? Is a mechanical engineering graduate at The Boeing Company working as an engineer or underemployed as a technician?

The occupation data that is currently available is survey-driven. National surveys by the Census (Community Population Survey) and Bureau of Labor Statistics (Occupational Employment Statistics Survey) are the basis for identifying education/occupation trends. Survey data has a unique value to the research community but it becomes, by many accounts, ineffective when identifying state/regional trends. It also adds very little value to the current work being done at all levels of government to build longitudinal, comprehensive research using administrative records.

THE IMPORTANCE TO STAKEHOLDERS

With unprecedented pressure for education output to match labor market needs:

- **policy makers** should be guided by viable, timely occupation data to make strategic investments in support of business growth and the long-term success of workers;
- **students and families** should have informed expectations of the labor market when investing heavily in higher education;
- **businesses** could more effectively attract and develop a talented workforce with improved labor market data; and,
- **colleges and universities** could make important capacity decisions based on a more thorough understanding of occupation trends.

LEGISLATIVE RECOMMENDATIONS

Washington is a leader in all other facets of data collection, analysis and access as it relates to the education to workforce pipeline and the career transition of Washington workers. **We should continue to be a leader by chartering the inclusion of occupational data on UI wage records.**

Toward that goal, the Washington legislature and supporting agencies should:

- **Make a strong policy commitment** toward a phased-in, well-managed and properly funded process for collecting and analyzing high-quality occupation data via UI wage records.
- **Measure and articulate the benefit** to the business community, education system, and economic and workforce development stakeholders of collecting occupation data across the workforce.
- **Increase funding to support research and IT needs at the various state agencies performing education and workforce analysis.**

RESEARCHER PERSPECTIVE:

“Adding occupation to the UI wage data would be an amazing enhancement. It would allow many additional insights into how labor markets operate. Examples include a true connection between educational credentials (from ERDC) and actual jobs (not industries). It would permit career mapping to see how workers actually go from occupation A to occupation B and the interceding training or education. Occupation really defines the job a worker holds, an accountant is an accountant, regardless of her industry. Industry defines employers.

In addition, adding occupation could also help us understand wage progression as well as career progression. It would also help us understand at a micro level what happens as the industry and occupation mix of the economy changes over time.” – **Greg Weeks, Former Workplace Analyst, ERDC, OFM (also former Washington Labor Market Information Director)**