New Data for Strategic Planning and Performance Measurement

The LEHD/State Partnership
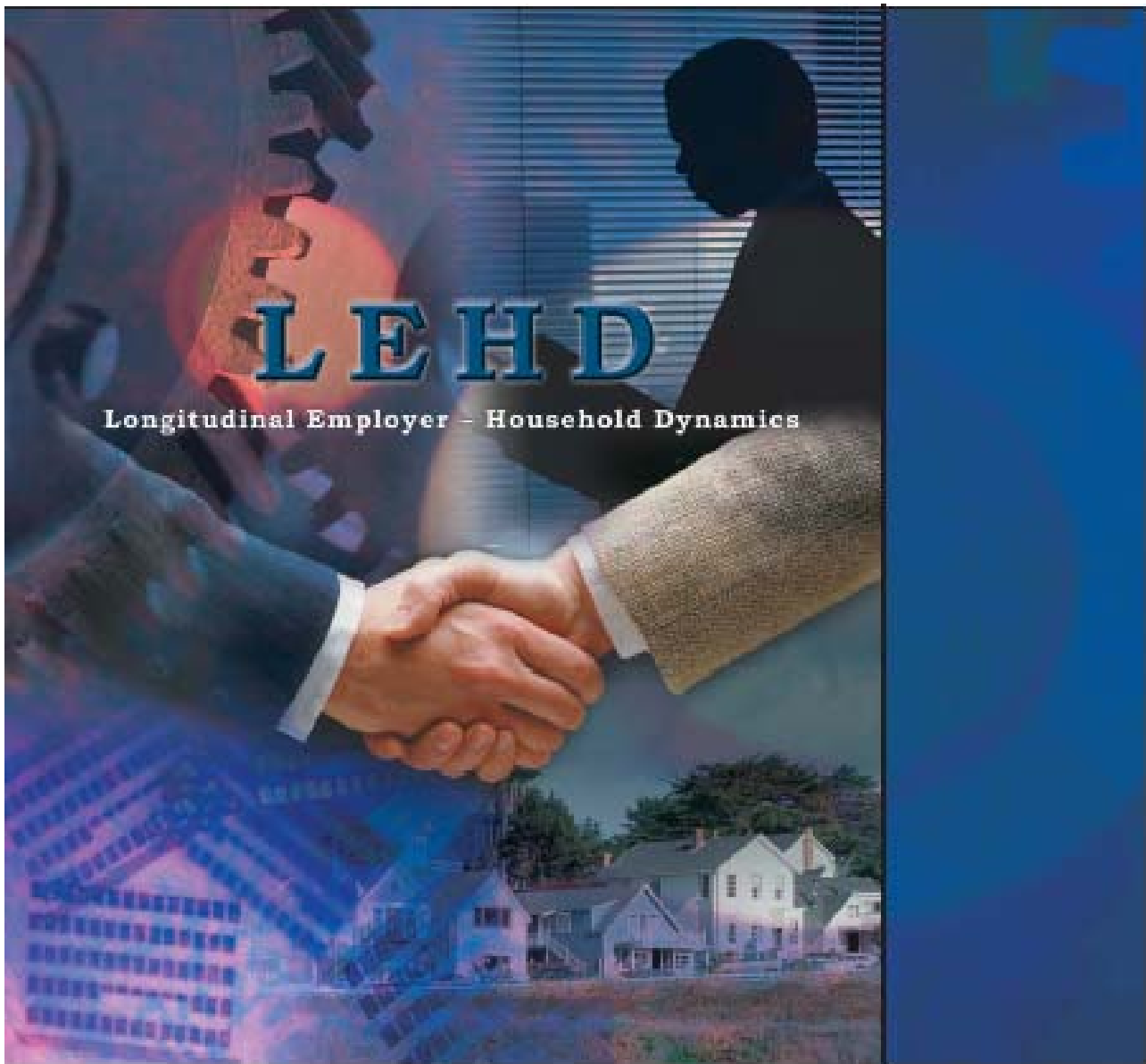
LEHD

Longitudinal Employer – Household Dynamics

LEHD Data for Decision Making

Data for Local Decision-Making

Local decision makers – employers, workers, transportation agencies, education and training institutions and economic development agencies – need current local data to make decisions. The new LEHD *Quarterly Workforce Indicators* (QWI) series provides just that -- regularly updated information about where workers and clients are, what industries are hiring workers, and what workers get paid. The 29 new indicators show economic trends by worker age and sex, by county and workforce investment area. These, combined with local expertise and information, can provide an important local tool for decision makers: simply put, the Indicators provide a resource for:

    Newly informed planning
    Newly informed management
    Newly informed performance accountability
    Newly informed refinements of previous plans

Strategic local inquiries, guided by QWI data, will be needed in some cases to add occupational detail.

How Can These Data Be Used?

Employers can use new information on where workers live to find out where to go to hire workers. Transportation agencies can use it to find out where local needs are greatest.

Suppliers can use trends on business job creation and destruction – by industry and by location – to decide where to locate.

Educational and training institutions can examine earnings for new and incumbent workers in different industries to benchmark their performance and improve their placement strategies

Job seekers can see which types of businesses are hiring workers of their age, what they're paying, and what the growth trends look like.

More Specifics from LEHD

LEHD Data Users

Decision makers can use the data for strategic planning purposes—to:
- Understand core performance in a local economic environment – so that local WIB reports on entered employment, retention and earnings gain outcomes can be evaluated in a local context;
- Identify the most promising industry targets for helping older displaced workers to find new jobs at acceptable earnings levels;
- Identify stable concentrations of firms in a local workforce investment area that are hiring enough workers to justify client placement advocacy;
- Provide new evidence of emerging trends, and turning points in previously stable trends—such as identifying changes in hiring patterns in the health care services sector or new job creation in an area of retail trade.

Employers can use the data to answer their common questions—such as
- Where are the workers in my industry and county?
- How much are workers like mine paid?
- How does the turnover for other firms in my industry compare to the turnover in my workplace?

Workers can use the data to find out:
- Where are the jobs?
- How much can I expect to be paid in different industries?
- How long can I expect jobs to last?

Economic Development Organizations can use the data to tell prospective businesses:
- Where workers live
- The demographics of the local workforce
- What the local workforce earns
- How many workers who work in the area come in from other areas

Educational and Training Organizations can use the data to find out:
- Where potential students work and live
- Local benchmarks—such as what their students should be earning as new hires in different industries

Transportation Organizations can use current information to find out:
- Where people live and where they work
- What people's income levels are– whether they will drive or use public transport
- Current commuting patterns and trends

Quarterly Indicators

Clients

(Blue)
Businesses
Economic development agencies
Chambers of commerce
Federal, state and local agencies

(Green)
Workforce Investment Boards
Chambers of commerce
School career counselors
Job search professionals
Businesses
Federal, state, and local agencies

(Yellow)
Businesses
Transportation planners
Federal, state and local agencies

Questions

(Blue) **Where are the workers?** **How much are they paid?**

(Green) **Where are the jobs?** **How much do they pay?** **Who needs training?**

(Yellow) **How can workers get to their jobs?** **Where should a business locate?**

Measures

Geography

Current	New
National	National
State	State
County	County
	Sub-county
	Workforce investment area

Location

Current	New
Workplace	Workplace
	Residence

Current	New
Jobs	Jobs
Total payroll	Total payroll
	Gross job gain
	Gross job loss
	Net jobs
	New hires
	Recalls
	Layoffs/quits
	Individual earnings

Demography

Current	New
None	Male
	Female
	Age categories
	14-18
	19-21
	22-24
	25-34
	35-44
	45-54
	55-64
	65+
	Immigrant
	Native born

Quarterly Workforce Indicators

1. Total Employment

    a. Beginning of period
    b. End of period
    c. Total Jobs

2. Change in Employment

    a. Job Creation[1]
    b. Job Destruction[1]
    c. Net Job Change[1]

3. Turnover

    a. Accessions[1]
        - New Hires[1]
        - Recalls[1]
    b. Separations[1]

4. Earnings

    a. All employees[1]
    b. Accessions[1]
    c. Separations[1]
    d. New Hires[1]

5. Change in Earnings

    a. Accessions[1]
        - New Hires
        - Recalls
    b. Separations[1]

Disaggregated by:

Nine age categories
14-18; 19-21; 22-24; 25-34; 35-44; 45-54; 55-64; 65+; All

Gender
Men, Women, All

[1]These series are also available by the degree of workforce attachment

# Information for Decision Makers

Identifying Key Industries (2001)

Industry	Employment	Job Creation	Hires All	Hires Males 35-44	Earnings
Business Services	215,851	16,089	22,403	3,453	$9,989
Health Services	166,768	8,698	10,110	568	$9,416
Eating And Drinking Places	135,772	7,692	12,120	912	$3,502
Construction-Special Trade Contractors	118,052	8,458	9,646	2,269	$9,542
Research, Management, And Related Services	105,260	6,231	7,760	1,184	$13,902
Wholesale Trade- Durable Goods	66,836	5,008	5,592	1,180	$13,626
Social Services	57,235	3,691	4,890	290	$5,711
Miscellaneous Retail	56,662	3,707	5,126	382	$5,530
Food Stores	46,806	3,897	4,123	352	$5,259
Total	1,803,356	112,633	143,043	19,362	$9,265

LEHD data can be used to quickly identify the top ten industries, the jobs created, the number of workers hired and the earnings of the jobs—and adds information on who the jobs are for (although only one age/sex category is presented here).

Source:Maryland Department of Labor, Licensing and Regulation; LEHD Program

Zooming In—The Local Context for Evaluation (2001)

Quarterly Earnings in Business Services

Source: M D DLLR and LEHD

☐ Female ■ Male
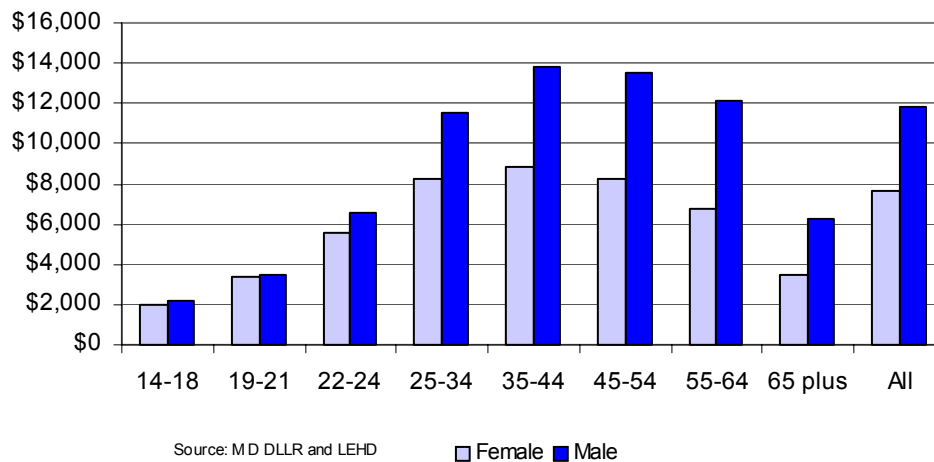
Background

Business Services is biggest employer in Maryland
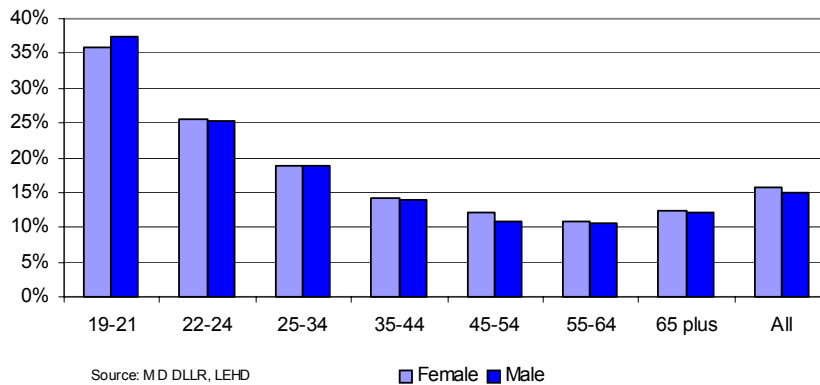
Value Added from LEHD

Local context for evaluation of placement services

Important earnings differences by age and sex—use of "overall" earnings can be inappropriate, for example, if a client base is under 25

Information for Employers

What is the typical workforce turnover in my industry?

Turnover in Health Services in Montgomery County, MD

Source: M D DLLR, LEHD

Legend: Female — Male

Background

- Turnover is key indicator of service quality in health services
- High turnover is costly

Value Added from LEHD

- Local turnover information
- Marked differences by age (not sex)
- Relatively current (2001 data)

What are average earnings for incumbent workers and new hires in my industry?

Quarterly Earnings in Research Services

Source: M D DLLR; LEHD

Legend: New Hires — Incumbent

Background

- Research services one of highest paying industries in MD

Value Added from LEHD

- Clear differences by age of worker
- Some evidence of demand pressure, because new hires make almost as much as incumbents
- Useful benchmark in hiring
- Useful benchmark for reviewing wage-setting strategies.

Information for Workers

Where are the jobs for someone like me?

Job Information for Women 35-44 in Montgomery County, MD

Industry	Employment	Hires	Earnings	
			Incumbents	New Hires
Health Services	25,110	2,395	$7,342	$6,597
Business Services	17,481	3,104	$8,219	$6,900
Research Services	9,680	1,195	$9,971	$9,349
Eating and Drinking Places	8,786	1,100	$3,318	$2,759
Social Services	7,644	933	$5,636	$5,034
Miscellaneous Retail	4,776	618	$5,144	$3,685
Educational Services	4,219	369	$6,896	$4,928
Food Stores	3,739	443	$4,923	$3,484
Wholesale Trade – Durable Goods	3,716	549	$10,667	$10,155
Total	145,926	18,254	$7,388	$6,245

Source: MD Department of Labor, Licensing and Regulation and LEHD

LEHD data show that (1) the key industries for women 35-44 are very different from those for MD as a whole (2) even though firms in Health Services are the biggest employers, the most hires are in Business Services; (3) the highest paying jobs are in Wholesale Trade and Research Services.

How long can I expect jobs to last?

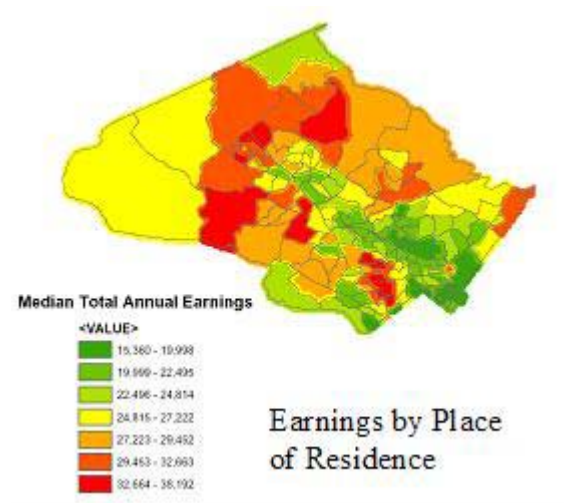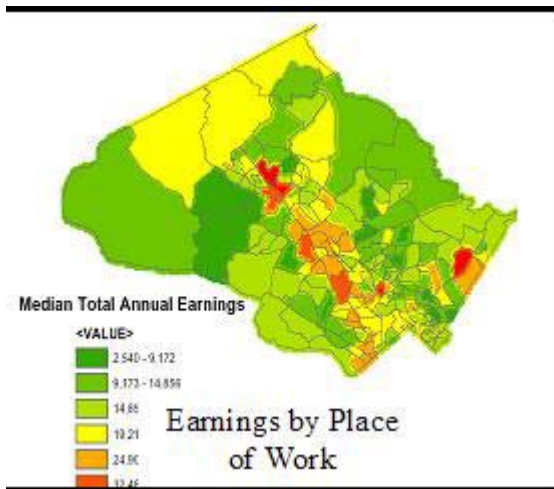### Proportion of hires lasting at least a quarter (women 35-44)
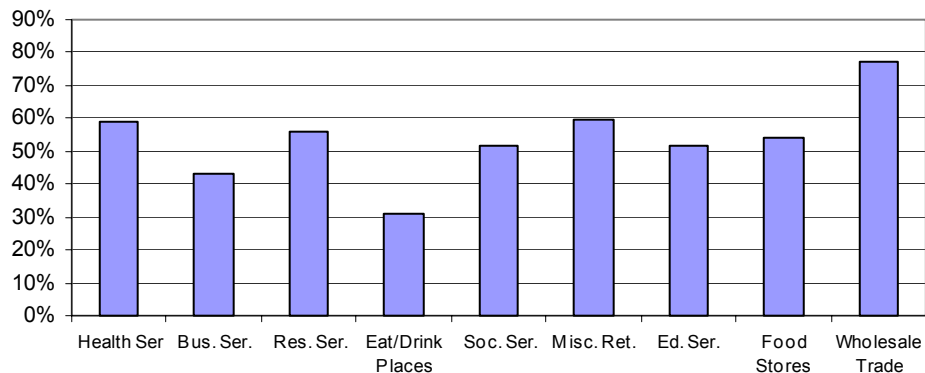
Source: MD DLLR and LEHD

LEHD data show that in the most important industries employing women aged 35-44, 80% of all new jobs in wholesale trade last at least a quarter, but only 30% of jobs in eating and drinking places
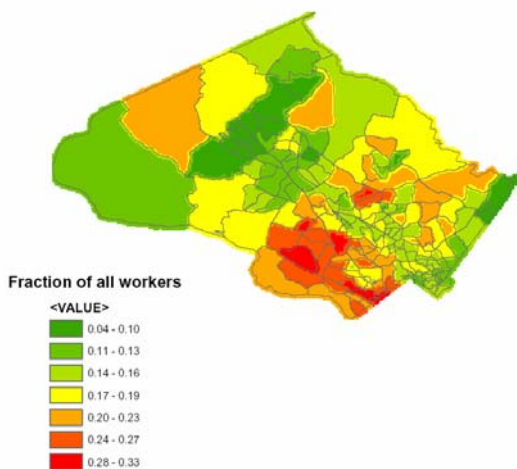
Information for Economic Development and Transportation Agencies

What were the average earnings in 2001 of workers working and living in different parts of Montgomery County?

Median Total Annual Earnings

<VALUE>	
	2,540 - 9,172
	9,173 - 14,856
	14,85
	19,21
	24,9(
	32,4!

Earnings by Place of Work

Median Total Annual Earnings

<VALUE>	
	15,360 - 19,998
	19,999 - 22,495
	22,496 - 24,814
	24,815 - 27,222
	27,223 - 29,462
	29,463 - 32,663
	32,664 - 38,192

Earnings by Place of Residence

LEHD data can be used to show the location of workers by where they live or by where they work—this map shows the importance of earnings outside the county to wealth generation within the county.

Where do workers over 55 live in Montgomery County Maryland?

Fraction of all workers

<VALUE>	
	0.04 - 0.10
	0.11 - 0.13
	0.14 - 0.16
	0.17 - 0.19
	0.20 - 0.23
	0.24 - 0.27
	0.28 - 0.33

This map shows the proportion of workers over 55—helping to inform the location decisions of businesses who cater to different types of customers.

Data for Education and Training Institutions

What earnings should young workers expect in different industries?

Industries paying the highest earnings to 22-24 year old workers (both sexes)

	Earnings of Incumbents	Earnings of New hires	Employment	Quarterly Hires
Communications	$7,459	$9,060	1,467	334
Research Services	$7,148	$7,935	3,925	724
Wholesale Trade- Durable Goods	$7,141	$7,113	2,127	412
Construction-Special Trade Contractors	$6,436	$6,464	4,858	853
Automotive Dealers And Gasoline Service Stations	$5,886	$6,081	1,823	283
Building Construction-General Contractors And Operative Builders	$5,809	$6,836	1,240	165
Wholesale Trade - Nondurable Goods	$5,456	$6,367	1,426	212
Real Estate	$5,307	$5,927	1,073	164
Health Services	$5,108	$5,577	5,494	893
Business Services	$5,081	$6,052	9,330	2,203

Source: MD Department of Labor, Licensing and Regulation and LEHD (Employment > 1000)

LEHD data show that the highest earnings for this age group are highest in the communication industry—but that the most jobs are in Business Services. These indicators can both be used as performance benchmarks and as placement guidance tools

What industries have the greatest earnings growth (career ladders)?

Industries paying the highest earnings to 22-24 year old workers (both sexes)

	Earnings of New Hires	Growth	Employment	Quarterly Hires
Educational Services	4,319	22.34%	1,318	220
Communications	7,459	21.46%	1,467	334
Business Services	5,081	19.11%	9,330	2,203
Building Construction-General Contractors And Operative Builders	5,809	17.68%	1,240	165
Wholesale Trade - Nondurable Goods	5,456	16.70%	1,426	212
Automotive Repair	5,002	15.79%	1,203	210
Miscellaneous Retail	3,250	14.65%	3,077	546
Research Services	7,148	11.01%	3925	724
Health Services	5,108	9.18%	5494	893
Depository Institutions	4,624	8.04%	1047	240

Source: MD Department of Labor, Licensing and Regulation and LEHD (Employment > 1000; earnings>$3,000)

By comparing the earnings of new hires in each industry with incumbent earnings, the LEHD data can be used to construct a crude measure of earnings growth. Educational Services offer the most growth, but Business and Health Services have the greatest number of jobs.