

## Defining Labor Market Information (LMI) and LMI Customers

### Defining Labor Market Information.

Labor market information includes all quantitative or qualitative data and analysis related to employment and the workforce. The goal of LMI is to help customers make informed plans, choices, and decisions for a variety of purposes, including business investment decision making, career planning and preparation, education and training offerings, job search opportunities, hiring, and public or private workforce investments.<sup>1</sup>

### Key LMI Data Elements.

In its most basic form, a labor market information system begins with quantitative data elements collected, organized, and analyzed in ways that measure and assess the:

- Size and characteristics of the labor market, including the demand for and supply of labor and the intersection thereof
- Factors that influence labor market and economic conditions
- Industry and occupational characteristics of the work being done
- Capacity and immediate results from education, training, and job placement
- Combination of data sets to describe the workforce by industry, occupation, or educational attainment

To these, a labor market information system adds qualitative information about:

- Factors that influence labor market and economic conditions
- Trends in the economy and workforce
- Needs and expectations of industries
- Perceived value of education and certificate programs (existing and proposed)

### Delivering LMI to Users.

LMI is not just about data; it's about a comprehensive system. While data are an integral part of the LMI system, developing workforce intelligence from labor market information requires the integration of data elements and analysis, followed by the provision of those insights through an efficient information delivery system and a user support network. All of these factors are considerations that are integral to creating a truly comprehensive view of labor market information.

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<sup>1</sup> James F. Woods and Christopher J. O'Leary, "Conceptual Framework for an Optimal Labour Market Information System," W.E. Upjohn Institute for Employment Research, Technical Report No. 07-022, December 2006.

LMI producer agencies provide a wide array of products and services. These are organized into three categories with a selected group of examples: <sup>2</sup>

- 1) Career products – products that help jobseekers find jobs, determine skill or education requirements, find training opportunities; match jobseekers to jobs; or guide young people or adults to new or different career paths.
  - ✓ Career and teachers' guides
  - ✓ Job matching systems and sources
  - ✓ Occupational outlooks
  - ✓ In-demand occupational lists
  - ✓ Transferable skills and competency models
- 2) Economy products – data, analysis, or studies about some focused aspect of the economy.
  - ✓ Community or area economic profiles
  - ✓ Economic, industry, or occupational profiles or projections
  - ✓ Economic impact analyses
- 3) Labor market products – data, analysis, or studies of broad labor market trends or outcomes.
  - ✓ Labor force demographics
  - ✓ Wage data
  - ✓ Job vacancy surveys and commuting studies
  - ✓ Unemployment insurance claims reports
  - ✓ Wage and benefit studies

## **LMI Data Delivery Mechanisms.**

LMI can be provided through a variety of techniques. Some of these approaches are more traditional and widespread. Others are more innovative or customized to user needs:

- *Reports*
- *Web sites*
- *Interactive web tools, including GIS/data mapping and web services*
- *Presentations and press releases*
- *Newsletters and email updates*
- *User training*
- *Special data tabulations by request*
- *Special topic studies and survey results*
- *Customized consultations and advisory services*

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<sup>2</sup> Labor Market Training Institute, Labor Market Information Customers and Their Needs Customer-Oriented LMI Product Innovation, prepared for the Workforce Information Council Customer Consultation Working Group, April 18, 2012.

## Describing LMI Users.

Labor market information users can be broadly categorized into three groups and several categories:<sup>3</sup>

### Labor Market Participants and Advisers

- *Jobseekers and Students* include customers who seek a job, whether they are currently employed or not, as well as the children and young adults who will eventually become part of the workforce.
- *Businesses* include any individual or organization that employs labor to operate.
- *Education and Training Instructors* include individuals (such as teachers or counselors) that directly interact with learners through structured educational or skill-building opportunities.
- *Counselors* include individuals who work directly with jobseekers to guide them to appropriate employment opportunities.

### Policymakers and Planners

- *Elected Officials* include federal, state, and local leaders seeking to allocate public resources for the benefit of employers or workers or to monitor the performance of those investments.
- *Workforce Development* includes state and local workforce investment agencies, which are collaborations of employers, policymakers, and community organizations, that seek to connect companies in need of talent with trained and qualified workers. Workforce development entities interact with both jobseekers and businesses.
- *Economic Development* includes government agencies and nonprofit organizations of varying structures that seek to promote business development opportunities and the implementation of policies that support the development of state and local economies.
- *Education* includes policymaking agents and program designers who influence the development of national, state, and local policies that drive education and training offerings and resource allocations. This group of education customers drives policy design and decision-making.
- *Social services* includes agencies designing programs or allocating resources to help workers with social service needs or potential workers seeking to transition from public assistance.
- *Researchers* include individuals (such as economists) engaged in research activities through governmental organizations, academic institutions, think tanks, or other entities.
- *Federal, State, and Local Governments* include all government agencies.
- *Internal Customers* include LMI analysts and other LMI leadership who seek to improve the development and functioning of the state and national LMI system.

### Value-Added Disseminators

- *Media* includes any member of the accredited media and individuals independently reporting on facts and events.
- *Commercial Data Providers* include any third-party entity that repackages LMI data and disseminates it to paying customers.

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<sup>3</sup> Adapted from Labor Market Training Institute, Labor Market Information Customers and Their Needs Customer-Oriented LMI Product Innovation, prepared for the Workforce Information Council Customer Consultation Working Group, April 18, 2012.

LMI data help users answer a broad array of questions about:

- Economic and labor market conditions and trends, including trends in employment, unemployment, earnings or wages, and labor market dynamics
- The size and composition of the available workforce, including demographic characteristics
- Current and future workforce demand and supply, including current and projected information about industry and occupational employment, job creation and destruction, the types of work available, and the skills required for that work
- Employment openings related to workers seeking jobs or employers recruiting workers, including information about current job openings, expected wages, availability of benefits, the placement and flow of workers to new jobs, and businesses seeking workers, and the ratio of available jobs to available workers
- The characteristics of jobs in terms of their skill requirements, their availability, the benefits they offer workers, the characteristics of workers in those jobs, and the relationship between the job and the employer (e.g., salaried, self-employed, full-time, part-time, etc.)
- The capacity to educate and train the workforce to meet labor market needs, including information about education or workforce training programs, enrollees, and completers
- Comparisons in these labor market conditions over time, geography, industry, or occupation