

Labor Market and Economic Analysis, PO Box 9046, Olympia, WA 98507-9046

**ANNUAL WORKFORCE INFORMATION GRANT PERFORMANCE REPORT**

December 1, 2020

Washington state is submitting its Workforce Information Grant (WIG) performance report for Program Year (PY) 2019, as required of grantees under Training and Employment Guidance Letter No. 5-19. This report summarizes accomplishments and challenges and provides recommendations for improvement to workforce information and services.

Washington state has completed the three deliverables required in PY 2019: maintaining the Workforce Information Database (WIDb) with state and local data; producing state and local industry and occupational employment projections; and a statewide annual economic analysis report.

**I. Populating the Workforce Information Database (WIDb) with state and
local data**

Throughout PY 2019, the Washington State Employment Security Department’s Labor Market and Economic Analysis (LMEA) division continued to populate and maintain the database tables designated as core tables in accordance with guidelines issued by the Analyst Resource Center (ARC).

LMEA continues using version 2.7 of the Workforce Information Database.

The Infogroup ARC database, which we use to populate our Find Employers tool, was updated in August 2019.

**II. Producing and disseminating industry and occupational employment projections**

[*Employment projections*](https://esd.wa.gov/labormarketinfo/projections) provide a general outlook for industry and occupational employment in Washington state. They provide job seekers, policy makers and training providers an idea of how much an industry or occupation is projected to change over time and show the future demand for workers.

On an annual basis, the Employment Security Department produces industry employment projections for two, five and 10 years from a base period. The base period for the two-year (short-term) projections is second quarter 2019. The base period for the five-year (medium-term) and 10-year (long-term) projections is 2018. Staffing patterns for each industry are used to convert industry projections into occupational projections.

The ETA granted the LMEA division an extension to submit long-term industry and occupational projections during June 2020. LMEA completed the short-term and long-term industry and occupational [*employment projections*](https://esd.wa.gov/labormarketinfo/projections) for Washington state and its 12 local workforce development areas (WDAs) and submitted them to the ETA in February 2020 and September 2020 respectfully. We continued our practice of annually updating these three sets of projections – two of which are required under this grant (two- and 10-year) and one of which is required by state law (five- year) – for the state as a whole and for the 12 WDAs.

LMEA does not consult customers regarding the methodology or customer needs prior to development of short-term and long-term projections. The projections produced by LMEA use statistically valid methods. The Projections Managing Partnership (PMP) methodology advises forecasters to combine alternative economic forecasting methods and to choose the best fitted model based on performance measures over the observed periods. Washington state employed this methodological approach, which can be found in the [*2019 employment projections technical report*](https://esdorchardstorage.blob.core.windows.net/esdwa/Default/ESDWAGOV/labor-market-info/Libraries/Industry-reports/Employment-projections/2019%20Employment%20Projections%20Technical%20Report.pdf).

Contact with local workforce boards, workforce development professionals, planners, businesses, higher education institutions and other customers indicate that both short-term, mid-term and long-term industry and occupational employment projections data are heavily used. These projections are the underlying foundation for workforce development discussions and higher education planning throughout Washington state.

**III. Annual economic analysis and other reports**

Consistent with this grant and required by state law, LMEA published a detailed annual economic analysis report. This report provides statewide information for economic policy development, training program planning and resource allocation by the:

• Governor.

• State Workforce Investment Board (WIB, known as the Workforce Training and Education Coordinating Board).

• Local WIBs (known as Workforce Development Councils).

• State legislators.

• Other partners including community and technical colleges, economic development organizations and other talent development stakeholders.

The [*2019 labor market and economic report*](https://esdorchardstorage.blob.core.windows.net/esdwa/Default/ESDWAGOV/labor-market-info/Libraries/Economic-reports/Annual-Report/2019%20Labor%20Market%20and%20Economic%20Report.pdf) is an annual overview of Washington state’s economy. It includes analyses of employment conditions and trends, unemployment, wages, income and employment projections. The report also devotes greater detail on the seasonal, structural and cyclical aspects of employment and includes economic comparisons with other states.

Throughout the year, LMEA staff conducted special studies and economic analyses at the statewide and local levels. During this reporting period, 1,673 items were published. These reports and data sets are available on [*Washington state’s labor market information website*,](https://esd.wa.gov/labormarketinfo) and further detail on specific reports is provided below. We also added additional dashboards and Tableau data visualizations to our web pages, many interactive, which were updated along with our statistical reports. Our website recorded over 660,000 page views in PY 2019.

In March 2020, we added COVID-19 specific content to our [*unemployment claims*](https://esd.wa.gov/labormarketinfo/unemployment-insurance-data) page. This is a series of 14 data sets that are updated weekly.

**Monthly**

• [*Monthly employment report*:](https://esdorchardstorage.blob.core.windows.net/esdwa/Default/ESDWAGOV/labor-market-info/Libraries/Economic-reports/MER/MER%202020/MER-2020-10.pdf) A comprehensive, monthly report on Washington state’s job market. We report the unemployment rate statewide and by county, the number of people in Washington’s workforce and the number of people employed by industry and county. This report relies on current labor force statistics developed in partnership with the BLS and is the basis of a major monthly press release on the state’s economy and is followed by a second press release by county.

• [*Labor area summaries*:](https://esd.wa.gov/labormarketinfo/labor-area-summaries) Monthly labor area summaries provide labor market information for each of the metropolitan areas and counties in Washington state. This information is screened by LMEA’s six regional labor economists who are located around the state and are the primary points of contact for regional labor market information. The labor area summaries provide vital information to decision makers and media, timed according to the monthly release of local labor market statistics by BLS.

• [*Employer demand reports*:](https://esd.wa.gov/labormarketinfo/employer-demand) Monthly series of four reports reflecting the top 25 skill sets and certifications that employers are looking for in workers, as well as the top 25 occupations and employers. These reports are based on The Conference Board® Burning Glass® Help Wanted OnLine™ data series, which provide a measure of real-time labor demand gathered from online job ads.

• [*Labor market supply/demand reports:*](https://esd.wa.gov/labormarketinfo/supply-demand-report) The labor market supply/demand reports provide a gap analysis for detailed occupations along with comparisons of online job postings and Employment Security Department data on unemployment insurance (UI) claimants.

• [*Washington employment estimates*:](https://esd.wa.gov/labormarketinfo/employment-estimates) This data series provides monthly estimates of nonfarm employment by industry in Washington state. Current employment statistics (CES) survey data and quarterly benchmarked data are provided at the state, metropolitan areas and county levels.

• [*Unemployment benefits report*:](https://esd.wa.gov/labormarketinfo/unemployment-insurance-data) Monthly unemployment benefits reports by county, as well as monthly data on federally funded extended benefits.

• [*Labor force:*](https://esd.wa.gov/labormarketinfo/labor-force) Local area unemployment statistics (LAUS) are monthly estimates of the labor force including employment, unemployment and unemployment rates statewide, by county, by city, by WDA and by metropolitan area.

• [*Unemployment insurance claims:*](https://esd.wa.gov/labormarketinfo/unemployment-insurance-data) The Unemployment Insurance (UI) Program provides unemployment benefits to eligible workers who become unemployed through no fault of their own, and meet certain other eligibility requirements, including COVID-19 resources.

**Quarterly**

• [*Business employment dynamics*:](https://esd.wa.gov/labormarketinfo/business-employment-dynamics) A national and state view of changes to businesses and the job market.

• [*Unemployment insurance trust fund forecast*:](https://esd.wa.gov/labormarketinfo/UI-trust-fund) This report provides the status and updated projections of the state’s unemployment insurance trust fund.

• [*Covered employment (Quarterly Census of Employment and Wages [QCEW])*:](https://esd.wa.gov/labormarketinfo/covered-employment) Industry employment and wage data from employer tax records.

• [*WorkSource system performance reports:*](https://esd.wa.gov/labormarketinfo/WorkSource-system-performance) The WorkSource system performance dashboards provide data and analysis for the state’s WorkSource system. The LMEA division produces them for the state and its 12 individual workforce development areas (WDAs). The statewide dashboard contains the performance indicators and data for each quarter.

**Annually**

• [*Learn about an occupation*:](https://esd.wa.gov/labormarketinfo/LAAO) These tools distinguish among occupations as “in demand,” “balanced” and “not in demand” across the state and within individual WDAs. We evaluate short- and long-term employment projections to determine whether employment opportunities in more than 860 occupations are expected to increase or decrease. The local workforce development councils (WDCs) then review, adjust and approve the initial list based on their local, on-the-ground experience, and make revisions throughout the year. The [*Occupation in Demand list*](https://esd.wa.gov/labormarketinfo/learn-about-an-occupation#/search) is used to determine eligibility for a variety of training and support programs. During PY 2019, we continued to make improvements to the information available for each specific occupation by area, making it easier for job seekers to directly connect to job postings and further details on occupation and training options. These tools are the most visited pages on LMEA’s website and received over 283,000 page views in PY 2019.

• [*Find employers*:](https://esd.wa.gov/find-an-employer#/) LMEA’s website allows users to find contact information for more than 300,000 employers in Washington state. Users can search by area for an industry or occupation or employer name. Since identifiable information gathered through the BLS is strictly confidential, this information is provided by *Infogroup*.

• [*Labor market and economic report*:](https://esd.wa.gov/labormarketinfo/annual-report) Provides an annual overview of Washington state’s economy (discussed in more detail above).

• [*Agricultural employment*](https://esd.wa.gov/labormarketinfo/ag-employment-and-wages) *and wages:* LMEA has produced agricultural workforce reports since 1999. These reports provide information on agricultural employment, wage rates and H-2A prevailing wages and employment practices. Our most recent [*wage and practice survey*](https://esdorchardstorage.blob.core.windows.net/esdwa/Default/ESDWAGOV/labor-market-info/Libraries/Industry-reports/Annual-Ag-Report/2018%20Agricultural%20Wage%20and%20Practices%20Survey%20Results.pdf) was published in April 2020.

• [*Employment projections*: Two-, five- and 10-year industry and occupational projections (discussed in more detail above). Users have access to a report based on the projections, detailed methodology information and detailed data tables for the three sets of projections.](https://esd.wa.gov/labormarketinfo/projections)

• [*County profiles*:](https://esd.wa.gov/labormarketinfo/county-profiles) County profiles highlight aspects of the economic health of each of Washington’s 39 counties. The facts and figures are useful for grant applications, strategic planning, economic development and other research projects. We compose each county profile using data we collect and data from the U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, U.S. Census Bureau, Washington State Department of Revenue, Washington State Office of Financial Management and other resources.

• [*Occupational employment and wage estimates:*](https://esd.wa.gov/labormarketinfo/occupations) Our occupational employment and wage estimates are counts of workers and entry-level, average and experienced-worker wage estimates for more than 860 occupations. Data are displayed statewide, by metropolitan statistical area and nonmetropolitan area.

• [*Median and average hourly wage report:*](https://esd.wa.gov/labormarketinfo/median-hourly-wages) The median and average hourly wage reports contain hourly and annualized wage estimates for the state as a whole and by county. The tables include annual data going back to 1990 for the state and each county. Unadjusted, inflation-adjusted and annualized data are listed, as well as a breakout for the private sector.

• [*Distressed areas list:*](https://esd.wa.gov/labormarketinfo/distressed-areas) LMEA produces the list of distressed areas – counties where the three- year unemployment rate is at least 20 percent higher than the statewide average – to assist users with identifying areas that may qualify for certain publicly funded programs to spur job growth and economic development.

• [*Training benefits report:*](https://esd.wa.gov/labormarketinfo/training-benefits) Our report to the Washington State Legislature providing an update on the unemployment insurance [*Training Benefits Program*.](https://esd.wa.gov/jobs-and-training/training-benefits-program) The Training Benefits Program pays extended unemployment benefits to eligible participants while they attend approved training to learn new job skills. The report is based on a survey of Training Benefits participants, unemployment insurance administrative data, and community and technical college enrollment data.

• [*Establishment size report:*](https://esd.wa.gov/labormarketinfo/establishment-size) Establishment size data provide a count of establishments and their size class based on their number of employees for each county. We tabulate the number of establishments by size class and industry sector and subsector and for the state.

**IV. Customer consultations**

LMEA has maintained multiple methods of collecting feedback from customers regarding their use of and need for labor market information (LMI) products and services. Methods for collecting data on customers’ use of LMI products and services include web visitor analytics, a website feedback page, and automated tracking of ad hoc requests.

LMEA uses customer feedback to improve both its deliverables and its delivery system. To assist customers in accessing and understanding LMI posted on its labor market information website, the LMEA division offers an [*online interface*](https://esd.wa.gov/labormarketinfo/contact) as well as contact information for our [*regional economists*.](https://esd.wa.gov/labormarketinfo/economists) Trained individuals staffing that center can assist clients in locating the appropriate information and answer questions about it.

LMEA provides training to the WorkSource centers in order to facilitate a better understanding of the current tools available, how to use them, and information on new products which are then transmitted to their customers. In effect, this gives LMEA a larger impact by having the WorkSource centers play a key role in making LMI more accessible around the state.

LMEA solicits input from WorkSource (Washington’s One-Stop system), WDC managers and other customers on the regional labor economists’ performance of their responsibilities. That feedback is incorporated into our publications and communications strategies, as well as in broader planning for products and services.

**V. Activities undertaken to meet customer needs**

LMEA has further developed the use of The Conference Board’s Help Wanted OnLine® data to meet our customers’ needs. We have developed monthly [*labor market supply/demand reports*,](https://esd.wa.gov/labormarketinfo/supply-demand-report)which provide a comparison of online job postings and the Employment Security Department’s data on UI claimants. The data is organized by WDA and occupation category.

These reports provide a measure of real-time labor demand gathered from online job ads and combine that with what we know about individuals currently looking for work with relevant experience. The annual version of the supply/demand report takes into account the number of graduates from colleges and universities entering the workforce as well as the number of UI claimants.

Given the importance of the [*learn about an occupation tool*](https://esd.wa.gov/labormarketinfo/LAAO) to our customers, we make updates to the information for each specific occupation several times per year, making it easier for job seekers to directly connect to current details on occupation and training options in their geographical area of interest. As in years past, the learn about an occupation tool was the most frequently visited page on LMEA’s website in PY 2019.

LMEA presented our annual economic symposium in Seattle on April 1, 2019. Our theme this year was Connecting the Dots: Metrics that Matter. It featured a [wide variety of speakers](https://esd.wa.gov/2019-Symposium/presentations) and relevant topics. Our planned Spring 2020 symposium was cancelled due to the COVID-19 pandemic.

**VI. New tools and resources**

We continue to develop a wide range of data visualizations using Tableau software. These visualizations allow visitors to immediately engage with the data. This past year we continue to upgrade our monthly supply/demand tool from Excel to Tableau so that users can visualize he data directly in a web browser rather than downloading a file. LMEA has served as a leader among Washington’s state agencies in supporting and developing the state’s open data portal, [Data.WA.gov.](https://data.wa.gov/browse?category=Employment) We currently publish LAUS, OES and nonfarm employment estimates on this site, under the “employment” category. We have also added a series of COVID-19-related data sets to our website as noted above.

**VII. Efforts to create and support partnerships and collaborations**

**Regional labor economists**

LMEA’s six regional labor economists continued to work with local partners, including workforce development councils, economic development councils, WorkSource Centers and legislative entities, to better understand local labor markets and effectively communicate that information to customers with varying degrees of knowledge and expertise. The regional labor economists, who are located in WorkSource centers, worked throughout the year with these local partners to identify their specific needs and tailor information and services to meet those needs. The services included periodic economic briefings on changes in local labor market conditions, including regional symposiums, training on occupational and career information and tools, and input and technical assistance with local strategic planning.

In PY 2019, the regional labor economists identify and track the percentage of contacts they receive by customer type, as shown in the following table:

| **Customer type** | **Percentage of contacts** |
| --- | --- |
| Workforce organization/council | 25% |
| Media – newspaper, radio, TV | 25% |
| Economic development organization | 25% |
| Government agency | 10% |
| Business/business association | 5% |
| Educational institution | 5% |
| Other customers | 5% |

**Occupations in demand**

On an annual basis, LMEA and the local WDCs have continued to partner on an occupations in demand (OID) list, which is used for determining individuals’ eligibility for a variety of training and support programs. This list populates our website’s [*learn about an occupation tool*.](https://esd.wa.gov/labormarketinfo/LAAO) LMEA initiates the annual process by distinguishing among occupations that are “in demand,” “balanced” and “not in demand” on the state and WDA level. The WDCs then review, adjust and approve that initial list based on their local, on-the-ground experience. As changes in economic conditions throughout the year effected occupational demand, the WDC staff made updates to the list to reflect current occupational demand and supply conditions. In accordance with state law, the WDCs are responsible for changes to the list throughout the year, and LMEA’s regional labor economists provide technical assistance as requested.

**Sharing Data**

LMEA continues to serve as a leader among Washington’s state agencies in protecting data and supporting those in need of the vital information we can provide. We continue to work with our local partners, including government agencies, planning councils, education institutions and research centers to provide consistent support for their data needs to help grow the workforce.

**One-Stop management reports**

Our division continues to publish performance measures, [*labor market supply/demand reports*](https://esd.wa.gov/labormarketinfo/supply-demand-report) for our state’s WorkSource (One-Stop) system. The labor market supply/demand reports represent comparisons of online job postings and data on UI claimants and WorkSource job seekers. The data is organized by WDA and occupation category.

The [*quarterly performance dashboards*](https://esd.wa.gov/labormarketinfo/WorkSource-system-performance) provide meaningful data and analysis to WorkSource system leaders in order to develop better customer service strategies. Every customer using this information is speaking the same performance language, from the U.S. Department of Labor (USDOL) and our Governor to the WDC board members and contractors.

**Performance**

LMEA continued to take a leadership role for developing and maintaining outcome measures and leading indicators for each of the agency’s four goals. The Executive Leadership Team relies on our knowledge and insights to guide what we measure and why.

**WIOA implementation**

LMEA has provided full support to Washington’s WIOA implementation efforts in PY 2019. The LMEA director served on subcommittees and task forces convened by the state workforce board, particularly focused on performance. The LMEA director participated with the National Association of State Workforce Agency’s Labor Market Information Committee.

**VIII. Activities to leverage LMI-WIG funding**

LMEA continued to actively support the [*Washington’s Statewide Longitudinal Data System* (SLDS)](https://nces.ed.gov/programs/slds/state.asp?stateabbr=WA) by sharing weekly UI claims information, UI wage records and Labor Exchange Reporting System (LERS) files. The state’s [*Education Research and Data Center*](http://www.erdc.wa.gov/) (ERDC) will continue to refine requirements for analytical data marts that link education and workforce data to better serve research and policy analysts.

Part of the funding strategy for Washington’s LMI activities is to charge customers for projects that go beyond what can reasonably be expected from base funding sources. However, the base funding provides the infrastructure that allows Washington to take on those additional “special” projects. It is fair to say that Washington leverages the WIG and other base funding to allow us to take on other, paid projects for economic development entities, local workforce boards, community colleges and others.

**IX. Recommendations to the Employment and Training Administration for changes and improvements to WIG requirements**

We encourage the Employment and Training Administration (ETA) to continue their much needed and appreciated support for the infrastructure essential to developing short-, mid-, and long-term employment projections, which includes everything from the Local Employment and Wage Information System (LEWIS), to the Analyst Resource Center (ARC) and the new replacement methodology.

Finally, we want ETA to recognize that the State-Federal BLS infrastructure is in decay. QCEW editing software used by the states is fairly archaic and funding for basic maintenance has been in decline for many years. This decline affects the quality and timeliness of local LMI, projections, the OES sample, and the accuracy of the ETA’s estimates of the Federal Unemployment Tax Act (FUTA). The OES survey software has been in need of modernization for multiple years, and unfortunately lacks the funds essential to migrate/upgrade to a more mature and modern state. The lack of modernization means we can’t perform the time series, which creates substantial impact on the production of “real time” occupational demand. However, the necessary funding for these improvements is not part of the BLS budget agenda. The decay of infrastructure should become a priority and we hope to partner with you to overcome this barrier. After all, without proper oversight and support for these necessary upgrades, we will begin running out of options when it comes to preventing negative impacts on critical programs, which has a direct negative impact on our customers. Thank you again for your continued support.